

Both South Korean companies mentioned heavy rains in their descriptions of the disaster. But Ian Baird, a geography professor at the University of Wisconsin, Madison, who specializes in Laos and has studied the hydropower project, said he believed the problem was either faulty construction or a decision to store too much water in the dam's reservoir at a time when heavy rain should have been expected.

"When at the end of July do we not get rain in this part of the world?" he asked.

The companies are "trying to play this out as a natural disaster that wasn't their fault," he said. "I don't believe that for a second."

Xe-Pian Xe-Namnoy Power Company could not be reached by telephone on Thursday.

The United Nations has said that eight villages were affected by the flooding. Experts and displaced villagers said in interviews this week that the number could be 11 or more. Some were probably in an area that is extremely isolated in the rainy season, even without a major flood event, Professor Baird said.

"I'm sure there are still lots of people who nobody has reached yet," Professor Baird said. Some people might have scrambled to higher ground, but it would depend on when they were notified of the threat.

A day after the accident, the United Nations reported that 14 bridges had been damaged in Laos and at least 1,494 people there had been evacuated to emergency shelters. It said helicopters and boats were the only means of transportation in the affected areas of Attapeu Province, where rates of child malnutrition are among the highest in the country.

On Thursday, a reporter who traveled into the affected area — a three-hour drive on bumpy roads from Attapeu Town — saw military personnel and volunteers from several countries steering boats through the floodwaters in a grim search for bodies. Some people there were beginning to return to villages that had been underwater earlier in the week, only to find that all their possessions had been destroyed.

Octavian Bivol, the Unicef representative in Laos, said on Thursday that while the agency was providing the Laotian authorities with soap, jerrycans and other supplies to assist the equivalent of 1,500 households, the primary challenge was that so many of the flood victims were so isolated.

At least some of the affected villages had no warning of the lethal threat racing toward them.

Silam, a 25-year-old woman from southern Laos with two children, said in an interview that she had escaped the floods on Monday night after receiving a phone call not from the

government, but from one of her relatives who was in a nearby rice paddy.

The relative told her to leave the house and move to higher ground "because the water was coming," she recalled, speaking in a shelter in the southern town of Paksong on Wednesday evening. "I was so scared."

Bruce Shoemaker, an independent expert on hydropower in Laos, said that the dam was already "a slow-moving humanitarian and ecological disaster" even before the accident on Monday, in part because all the water diversion was a severe threat to downstream fisheries, the main source of protein for local people.

"The big thing is there's a very poor regulatory environment in Laos," said Mr. Shoemaker, a co-editor of the book "Dead in the Water: Global Lessons from the World Bank's Model Hydropower Project in Laos."

"Private companies get these concessions and there's very little oversight of how they're implementing it," he added, "and that is pervasive throughout the hydropower sector."

Reporting was contributed by Ben C. Solomon from Attapeu Province; Julia Wallace from Phnom Penh, Cambodia; Richard C. Paddock from Bangkok; Choe Sang-Hun from Seoul, South Korea; and Mukti Suhartono from Jakarta, Indonesia.

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New Zealand Grants Domestic Violence Victims Paid Leave (Graham-McLay, NYT)

Friday, July 27, 2018

New York Times

By Charlotte Graham-McLay

WELLINGTON, New Zealand — New Zealand will grant victims of domestic violence paid leave from work, in a move that activists say will give people the time to move out and seek shelter for themselves and their children without losing their jobs.

Members of Parliament approved a bill allowing the change by a vote of 63 to 57 on Wednesday night, giving domestic abuse survivors, as well as those caring for young victims, 10 days off from work in addition to their regular paid vacations.

The measure, known as the domestic violence victims' protection bill, will take effect next April, making New Zealand the second country in the world to pass such legislation, after the Philippines.

Jan Logie, a lawmaker for the left-leaning Green Party who proposed the bill in 2016, said gender-based violence had become "entrenched" in New Zealand and "reaches into

workplaces,” with victims often turning up late or missing work altogether.

Ms. Logie said that existing leave allowances were not enough for victims to “deal with the courts, find a new house, go to counseling or support their children dealing with trauma.”

“It doesn’t make sense to tell victims we want them to leave and then force them into poverty when they do,” she said.

New Zealand gave all women the right to vote in 1893, the first self-governing country in the world to do so, and its prime minister, Jacinda Ardern — currently on parental leave — is the third woman to hold the job. But its domestic and sexual violence rates are among the highest in the world.

A 2011 United Nations report said that 30 percent of women in New Zealand had suffered domestic abuse in the previous decade, with 14 percent experiencing sexual violence. A 2017 report in The New Zealand Herald said that the country had “the worst rate of family and intimate-partner violence in the world,” estimating that 525,000 New Zealanders were harmed every year.

“In this beautiful, gutsy, vibrant country of ours, police are called out to a family violence incident every four minutes,” Ms. Logie told Parliament in a speech before the bill was passed.

She said that research from Women’s Refuge, the advocacy organization where she worked before becoming a lawmaker, had found that 60 percent of women in abusive partnerships had full-time jobs when the relationship began, but less than half managed to stay in work.

“Those who stayed faced numerous hardships affecting their future employment prospects, and those who left found it difficult to re-enter the work force,” Ms. Logie said, adding that victims had told her they had been forced to quit jobs, or had been stalked or harassed at work because their former partners knew where to find them.

The law also allows victims of domestic violence to request flexible working arrangements and gives them protection from discrimination.

Lawmakers from New Zealand’s center-right opposition parties voted against the bill, with some who had supported it changing their minds. The opponents argued that extra leave would be too expensive for employers, and suggested that the government should foot the bill instead.

“We believe it will have perverse outcomes for women in the workplace,” said Mark Mitchell, a National Party lawmaker.

Ms. Logie rejected that view, telling the Parliament: “We are working off rigorous economic and social research from New

Zealand and Australia grounded in the experiences of workplaces already offering these types of protections.”

The cost of putting the policy in place would be “rapidly offset” by the returns from “lower turnover and increased productivity,” Ms. Logie added.

While some businesses already offer paid leave for victims of family violence, the vote by New Zealand’s government enshrined the practice in law. In Australia, victims of domestic abuse are allowed five days’ unpaid leave.

New Zealand’s anti-violence groups welcomed the change in law. Holly Carrington, a spokeswoman for the advocacy organization Shine, said domestic violence was already costing businesses — “not just financially, but, more importantly, the human toll.”

“Without support from their employer, work is not a safe place for victims of domestic violence,” she said, “and these staff get judged and blamed for resulting performance issues and often end up leaving their job.”

In May, Ms. Ardern announced a \$52 million increase for family violence services throughout the country over four years. It was the first funding boost for the sector in a decade.

She took office in October on a platform that promised change for ordinary New Zealanders, particularly on women’s and children’s issues.

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Japan Executes 6 Members Of Cult Behind Sarin Attack (Chan, NYT)

Friday, July 27, 2018

[New York Times](#)

By Angie Chan

HONG KONG — Japan on Thursday executed all six former members of the Aum Shinrikyo doomsday cult who remained on death row after the execution of the group’s founder and six other members earlier this month, Japan’s Justice Ministry said.

The six — Satoru Hashimoto, Toru Toyoda, Kenichi Hirose, Yasuo Hayashi, Masato Yokoyama and Kazuaki Okazaki — were convicted of involvement in one or more of three crimes: the 1995 sarin nerve gas attack on the Tokyo subway system, another sarin attack in Nagano Prefecture, in 1994, and the murders of a lawyer, his wife and their baby son in 1989.

“After 20 years of investigation, the execution is adequate — although some people say we should hear more from them” in terms of contrition, said Masaharu Yamada, a former police officer who investigated the attacks by the group. “Taking into

account the agony and sorrow of victims and their families, it may be too late.”

The executions came nearly three weeks after officials carried out death sentences against Shoko Asahara, the group’s mastermind, and six of his former followers.

The three attacks, which the courts said were committed to further Mr. Asahara’s bid to “control Japan in the name of salvation,” caused the deaths of 29 people. The most notorious case, the sarin nerve gas attack on the Tokyo subway system, killed 13 people and injured thousands, making it the largest attack in Japan since World War II.

Japan remains one of the few developed countries to maintain the use of capital punishment for murders by hanging. Inmates and family members are only notified of the execution on the day it is carried out. Despite international condemnation, public support for the death penalty remains high in Japan.

Hisako Ueno and Makiko Inoue contributed reporting from Tokyo.

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Indonesia Graft Buster Returns To Work After Acid Attack (Karmini, AP)

Friday, July 27, 2018

Associated Press

By Niniek Karmini

JAKARTA, Indonesia (AP) — An anti-corruption investigator almost blinded by an acid attack urged Indonesia’s President Joko “Jokowi” Widodo to set up a fact-finding team to solve his case as he returned to work Friday 16 months after the assault.

Activists and anti-graft officials, showing solidarity by wearing white shirts and red arm bands, cheered and clapped Novel Baswedan as he arrived at the headquarters of the Corruption Eradication Commission in Jakarta.

A banner with a picture of Baswedan was emblazoned with the words: “Mr. President, where is your promise?” and “16 months the case of Novel in the darkness.”

Baswedan was leading investigations into an epic graft scandal that implicated prominent politicians when he was attacked last year as he left dawn prayers. No one has been arrested and Baswedan has criticized police handling of the investigation.

“I hope Mr. President wants to know the real facts,” he told reporters.

After the attack, Baswedan underwent months of medical treatment in Singapore to treat his damaged eyes.

He said vision in his left eye is not fully restored but it has recovered much better than he’d thought possible.

“I thought I could not see as you all can see, but now, I can see,” he said. “I will use my vision for good and useful things as God’s blessings given to me,” Baswedan said. “This blessing should be followed by action, by working. I love my job and now I’m back.”

Baswedan was leading investigations into in a case in which 80 people, mostly officials and legislators, and several companies allegedly used the introduction of a \$440 million electronic identity card system in 2011 and 2012 to steal more than a third of the funds.

Senior Golkar party politician and former speaker of parliament Setya Novanto was sentenced in April to 15 years in prison for his role in coordinating the \$170 million theft of public money.

Baswedan has also been involved in investigations of alleged corruption involving senior police.

Corruption is endemic in Indonesia and the anti-graft commission, one of the few effective institutions in the country of more than 260 million people, is frequently under legislative attack by lawmakers who want to reduce its powers.

Agus Rahardjo, chief of the anti-graft commission, said Baswedan’s return to work will bring new spirit and inspiration for the commission in its fight against corruption.

“He is our role model to make the best contribution to the nation,” Rahardjo said.

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SOUTH & CENTRAL ASIA

Cricket Legend Imran Khan Claims Election Victory In Pakistan As Opponents Cry Foul (Bengali, LAT)

Thursday, July 26, 2018

Los Angeles Times

By Shashank Bengali

Imran Khan, a cricket legend turned anti-corruption agitator, claimed a resounding victory Thursday and was poised to become Pakistan’s next prime minister after an election that was tarnished by allegations that the army had rigged the campaign in his favor.

With 228 of 270 National Assembly races decided, Khan's party had won 108 seats, nearly twice as many as his closest rival, according to unofficial results published by the newspaper Dawn. Final results were delayed until Friday because of technical problems, Pakistan's election commission said. But the only drama left was whether Khan would gain an outright majority or need to form a coalition government.

Khan, 65, became the latest celebrity to parlay star power into political power by railing against corrupt elites and championing populist ideas tinged with religious conservatism. His rise opens new questions for two of Pakistan's most troubled relationships: with nuclear-armed rival India, where the media dub him "Taliban Khan" for his coziness with Islamist groups, and with the United States, which he has blasted as an occupying force in neighboring Afghanistan.

Khan is likely to defer authority over those areas to Pakistan's powerful military establishment — perhaps the biggest winner in Wednesday's vote. The last elected prime minister, Nawaz Sharif, who attempted to assert his own foreign policy, was dismissed on corruption charges in an ouster apparently orchestrated by the army, which appears to have also coerced some of his allies to support Khan in the election.

"Khan's victory means that the military is now 100% in the driver's seat on policy issues with regard to the U.S., with regard to Afghanistan, India, militancy, security issues," said Shamila N. Chaudhary, former Pakistan director on the National Security Council during the Obama administration.

"It essentially gives the military all the space it has ever wanted to pursue its national security policies the way it wants to," she said.

In the short term, that could mean more tension with the United States. President Trump in January suspended hundreds of millions of dollars in security assistance after accusing Pakistan of failing to curb militants, including the Taliban, whose battlefield gains have drawn the U.S. military back into a fighting role in Afghanistan.

But since then, U.S. officials say they have seen little change in Pakistan's pursuit of anti-American extremists.

Allies of the militant leader Hafiz Saeed, who is wanted by the U.S. for his alleged role in 2008 terrorist attacks in Mumbai, India, were allowed to run as candidates in the election. And last month an international monitoring group placed Pakistan on a watch list for taking inadequate steps to combat terrorism financing.

Pakistan has long denied allegations that it supports Taliban leaders based on its soil. As the U.S. explores direct

negotiations with the Taliban for the first time in an effort to end the 17-year Afghanistan war, it is likely to renew pressure on Pakistan to help bring militant leaders to the table.

"The problem is that no civilian leader has been able to scale back the problem of the military's dominance in foreign policy and national security — and I don't think Imran Khan is going to raise any questions," said Alyssa Ayres, a South Asia expert at the Council on Foreign Relations.

"There are just no signs that an Imran Khan-led government is one that will want to take on a positive leadership role in the relationship with the U.S.," she said.

In a televised victory speech, Khan spoke in conciliatory terms about the United States and India. He also praised Western countries as he pledged to improve accountability for corruption, saying that "if the West has been successful, it's because the law is the same for everybody."

The product of an elite prep school in Lahore, Khan studied at Oxford University before joining the national cricket team and, with his rugged good looks, later became a fixture on the London nightclub circuit. After his playing days Khan found religion — in February he wed his former spiritual advisor, his third marriage — and formed his Pakistan Tehreek-e-Insaf, or Movement for Justice, party in 1996.

"After 22 years of struggle, my prayers have been answered," Khan said. "I have gotten the chance to fulfill my dream and serve the nation."

In a country reeling from a fiscal crisis and weakening currency, Khan echoed the populist messages he sounded on the campaign trail. He pledged to alleviate poverty, reduce government expenses and use the prime minister's house as an educational institution — saying he would be "embarrassed" to live in the palatial residence.

His campaign appealed to a broad spectrum of Pakistanis fed up with corruption, and he touted police and education reforms in the northern province of Khyber Pakhtunkhwa, led by his party.

Khan pledged Thursday to build a "new" Pakistan with values like those of Medina, a holy city in Saudi Arabia that thrived in the 7th century and established a welfare state in accordance with Islamic laws.

"Today our state is in shambles," he said. "All our policies aim to help the less fortunate prosper."

But he dismayed some of his followers when he chose to field candidates who were formerly allied with Sharif's party in order to win seats in populous Punjab province — prompting criticism that he was cozying up to the corrupt elites he opposed.

He also faces a looming challenge over Pakistan's lack of foreign currency reserves, which could require the country to seek a bailout from the International Monetary Fund. Khan had dismissed such a move in the past but has recently indicated he was open to foreign assistance.

"He's been very domestically focused, but now, given Pakistan's economic crisis, foreign relations are crucial," said Moeed Yusuf, associate vice president of the Asia Center at the United States Institute of Peace. "He's an unknown quantity for the most part internationally."

Allegations of fraud and manipulation marred a milestone election — the second consecutive nonviolent transfer of power between elected governments in a country that has been under military rule for much of its 71-year history.

The incumbent party formerly led by Sharif — who served as prime minister three times and is now jailed on corruption charges — was in second place. It said that unexplained delays in releasing electronic vote totals amounted to a "humiliation of the public mandate."

Sharif's younger brother Shahbaz, leading the party in his absence, suggested he would challenge the results, hinting at a bitter legal battle but one he was unlikely to win, given that the army and judiciary have typically worked hand in glove.

Last year, after documents leaked from a Panamanian law firm suggested Sharif's family had stashed undeclared wealth overseas, the judiciary targeted him with corruption charges that forced him from office and brought a 10-year prison sentence. He is appealing his conviction.

Khan rejected allegations of favoritism and said the election was "the fairest in Pakistan's history."

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Pakistan's New Leader Vows To Reset Relations With U.S. (Shah, Spindle, WSJ)

After sweeping to power in a disputed election, Imran Khan calls for a 'mutually beneficial' relationship, lays out an ambitious domestic agenda

Thursday, July 26, 2018

[Wall Street Journal](#)

By Saeed Shah And Bill Spindle

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

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Khan Claims Win In Pakistan With Vows On Poverty, US Ties (Gannon, Ahmed, AP)

Friday, July 27, 2018

[Associated Press](#)

By Kathy Gannon And Munir Ahmed

ISLAMABAD (AP) — Former cricket star Imran Khan declared victory Thursday in Pakistan's parliamentary election and vowed to run the country "as it has never before been run" by fighting corruption, seeking regional cooperation and forging a new relationship with the U.S. that was not "one-sided."

TV stations reported Khan and his Tehreek-e-Insaf party, or PTI, maintained a commanding lead from Wednesday's balloting. But his leading rival, Shahbaz Sharif, rejected the outcome, citing allegations of vote-rigging.

Pakistan's election commission struggled with technical problems and had to revert to a manual count, delaying the announcement of final results until Friday. That left unclear whether the PTI will have a simple majority in the National Assembly or have to form a coalition government.

But that didn't stop the 65-year-old Khan from proclaiming his triumph in an address to the nation, in which he pledged to create an Islamic welfare state to provide education and employment for the poor to fulfill a campaign promise to create 10 million jobs.

"Today in front of you, in front of the people of Pakistan, I pledge I will run Pakistan in such a way as it has never before been run," Khan said, vowing to wipe out corruption, strengthen institutions he called dysfunctional and regain national pride by developing international relationships based on respect and equality.

While Khan appeared casual and conciliatory in his speech, his words were laced with passion. He said the United States treats Pakistan like a mercenary, giving it billions of dollars to fight the war on terrorism in a region beset with militant extremists.

"Unfortunately, so far our relations were one-sided. America thinks that it gives Pakistan money to fight for them. Because of this Pakistan suffered a lot," said Khan, who has been critical of the U.S.-led conflict in neighboring Afghanistan.

He offered nothing to suggest an improvement in Pakistan's already testy relationship with Washington since President Donald Trump's tweets in January that accused Islamabad of taking U.S. aid and returning only lies and deceit.

Seeking good relations with his neighbors, Khan addressed Pakistan's rival, India. The two nuclear powers have had a long-running conflict over the disputed region of Kashmir.

"Take one step toward us and we will take two steps toward you," he said in a peace offering while still decrying widespread human rights abuses in Kashmir.

Khan also advocated an open border policy with Afghanistan, even suggesting the two countries embrace a “European Union” type relationship. The plan seems unlikely, with Pakistan’s military already building hundreds of border outposts and an accompanying fence along its western frontier with Afghanistan despite often-violent opposition from Kabul.

Khan focused on what he wanted to do for the poor in Pakistan and his vision of a country that bowed to no one, where everyone was equal under the law and taxes were paid by the rich to fund services for the less fortunate.

His campaign message of a new Pakistan seemed to resonate with young voters in a country where 64 percent of its 200 million people are under 30.

Khan said the elections were the most transparent and promised to investigate every complaint of irregularity that his opponents presented.

“It is thanks to God (that) we won and we were successful,” he said.

More than a dozen TV channels projected the PTI would win as many as 119 seats of the 270 National Assembly seats that were contested, although the broadcasters did not disclose their methodology. The rest of the 342-seat parliament includes seats reserved for women and minorities. Voting for two seats was postponed after one candidate died during the campaign and another was disqualified.

Although rights groups and minorities expressed worries ahead of the voting about radical religious groups taking part, moderate voices seemed to have prevailed: None of the 265 candidates fielded by the outlawed Lashkar-e-Taiba won. That includes the son of co-founder and U.S.-designated terrorist Hafiz Saeed, who has a \$10 million U.S. bounty on his head.

The candidates campaigned under the little known Allah-o-Akbar Tehreek party because Lashkar-e-Taiba is banned.

Even if Khan’s party wins a simple majority, he would need to wait until the president convenes the parliament to swear in the new lawmakers — traditionally within a week.

He also faces opposition over the result from Sharif. He heads the Pakistan Muslim League, the party of his older brother, former Prime Minister Nawaz Sharif, who is in prison on corruption charges. TV projections give his party barely 61 seats.

The younger Sharif tweeted that “our democratic process has been pushed back by decades,” adding that “had the public mandate been delivered in a fair manner, we would have accepted it happily.”

Complaints also emerged from the independent Human Rights Commission, which issued a statement saying that women were not allowed to vote in some areas.

In other areas, it said, “polling staff appeared to be biased toward a certain party,” without elaborating. In the days before the election, leading rights activist I.A. Rehman called the campaign “the dirtiest” in Pakistan’s bumpy journey toward sustained democracy.

Analysts have expressed concern that disgruntled losers could create instability for the incoming government, which must deal with a crumbling economy, crippling debt and a raging militancy.

The voting was marred by a suicide bombing in the southwestern city of Quetta, the Baluchistan provincial capital, that killed 31 people as they waited to vote. A bombing in the same province earlier this month killed 149 people, including a candidate for office. Baluchistan has been roiled by relentless attacks, both by the province’s secessionists and Sunni militants who have killed hundreds of Shiites there.

The election marked only the second time in Pakistan’s 71-year history that one civilian government has handed power to another.

There were widespread concerns during the campaign about manipulation by the military, which has directly or indirectly ruled Pakistan for most of its existence. The military had deployed 350,000 troops at the 85,000 polling stations.

In a tweet, Pakistan’s military spokesman Gen. Asif Ghafoor called allegations of interference “malicious propaganda.”

Associated Press Writer Zarar Khan in Islamabad contributed to this report.

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Imran Khan Declares Victory, But His Win Could Thrust Pakistan Into Turmoil (Constable, WP)

Thursday, July 26, 2018

[Washington Post](#)

By Pamela Constable

ISLAMABAD, Pakistan — Imran Khan, a onetime international cricket star and tabloid playboy who reinvented himself as a crusading anti-establishment politician, declared victory Thursday for his party in parliamentary elections, even

as his rivals charged that the polls had been rigged and the official results remained unclear.

In a statesmanlike address, Khan set out a grand vision for a new government that would end corruption in high places, protect the weak and ensure equal rights for all. But the taint of a questionable victory, and the contentious aftermath of an election that toppled the ruling party, seemed more likely to usher in a period of political turmoil than a smooth transition.

Pakistan, a nuclear-armed state and a longtime security ally of the United States, has a history of elected leaders being overthrown by the military or pushed out by other institutions such as the courts. Until 2008, no elected head of state had finished a full term. Wednesday's election has been seen as a critical test of the democratic institutions in a country with a strong, influential military.

Although security officials vowed to remain neutral, the military was accused of interfering in the election on Khan's behalf, including reports that some promising candidates from the ruling Pakistan Muslim League-N were covertly induced to leave the party. On election day, opponents from several major parties alleged fraud at the polls.

Khan has often publicly praised the military but has denied any collusion. Some critics, especially the family of former prime minister Nawaz Sharif, have called the election a "soft coup." Even if unproven, the association could harm Khan's relations with other parties as he tries to form a coalition government or rule on his own.

In his speech Thursday, Khan tried to placate the election critics, offering to help probe any wrongdoing at the polls.

"I feel this election has been the fairest in Pakistan's history," he said, "and still if any party has any doubt, we will open up the result of those constituencies for investigation."

Pins with images of Imran Khan at an Islamabad market on Thursday. (Athit Perawongmetha/Reuters)

Supporters of gather outside his residence in Islamabad on Thursday. (B.K. Banagsh/AP)

Khan also briefly described his foreign policy plans, saying he wanted to have "mutually beneficial" relations with the United States. In the past, he has strongly condemned the U.S. deployment of drones to kill suspected Taliban extremists in the border areas of Pakistan.

Both Khan's acolytes and his adversaries acknowledged that his sudden ascent as the dominant force in Pakistani politics could potentially bring enormous change to a country where power has long resided in a feudal elite and its military allies.

Yet some analysts pointed out that Khan's ambitious agenda — massive job creation, economic reforms — could easily

become sidetracked by such in-trac-table problems as high illiteracy and birthrates, violent religious extremism, a fast-falling currency and dangerous shortages of water and power in the impoverished Muslim-majority nation of nearly 208 million.

"Although this is a dream that has devoured him for two decades, he may well find it a poisoned chalice," columnist Irfan Husain wrote in Dawn newspaper.

Above all, Khan seems to be counting on his personal charisma and passion — qualities that once wowed cricket fans and made him a magnet for women, then drove him to succeed in politics and energized his winning campaign — to carry over into the messy business of governing.

Although still Mick Jagger-lean and craggily handsome in his mid-60s, Khan bears little resemblance to the sports celebrity who burned up the London tabloids in the 1990s with his hard-partying exploits and storybook marriage to Jemima Goldsmith, a beautiful British socialite. (Divorced with two children, the two are still close, and she tweeted him congratulations on his election win.)

From left, Imran Khan sits with then-wife Jemima Khan, Princess Diana and mother-in-law Lady Annabel Goldsmith in 1996 at his cancer hospital in Lahore, Pakistan. (John Giles/Associated Press)

Supporters of Imran Khan shower him with rose petals at Taxila near Islamabad in May 1995. (B. K. Bangash/AP)

Imran Khan takes part in a cricket match between Pakistan and India in October 1978. (Patrick Eagar/Popperfoto/Getty Images)

These days, he has been cultivating his image as a pious Muslim, often wearing a traditional tunic and pajamas, fingering prayer beads and huddling with religious party leaders. In February, as the campaign was getting underway, he married a woman named Bushra Maneka, whom he described as his "spiritual adviser," then published photos of their nuptial ceremony with her face and body fully hidden beneath scarves.

Soon after that, though, Reham Khan, another woman Khan had married briefly in 2015 and divorced, was reported to be writing a tell-all book about his scandalous personal behavior. She told the Times newspaper that the book was not ready to be published but that issues such as "sexual harassment, sexual perversion, sexual favors" are "in the public interest" when they are "connected to someone's ability to govern."

For two decades, Khan has waged a one-man crusade against the Pakistani establishment. He started out giving anti-corruption speeches on sidewalks, then began staging mass rallies that were more like festivals. He ran for

Parliament in 2013, winning 13 percent of the vote and building an enthusiastic young following. He challenged then-Prime Minister Sharif in court, accusing him of hiding wealth abroad, in a case that led Sharif to be barred from political office and sentenced to 10 years in prison.

This year, Khan again challenged the Sharif dynasty at the polls, running for an unprecedented five seats in Parliament from districts across the country. He won them all, even defeating former prime minister Shahid Khaqan Abbasi, a former top aide to Sharif, by a 2-to-1 margin. He has played down his own considerable wealth and often draws attention to a cancer hospital he built in Lahore, Pakistan, through his private charity.

In his victory speech from his sprawling home above the capital, Khan spoke and acted like a self-confident leader, in full command and ready to rule, with a detailed list of plans, policies and promises to raise Pakistan's struggling "masses" and end the corrupt ways of an entrenched elite.

He pledged to create a government and an "Islamic welfare state" that would fulfill the unrealized democratic dream of Pakistan's founder, Mohammad Ali Jinnah, and he vowed to set an example by living "humbly" and eschewing the luxuries of political power. He laid out a range of proposed reforms, including better public education and tax collection.

Yet the election was not over, and the shocks continued Thursday as more results were reported throughout the day, with numerous veteran politicians losing seats they had held for years. People in scattered communities were still mourning more than 225 victims of multiple suicide bombings in the past month, several at campaign rallies and one on election day.

And Khan, whose party needs to win 141 seats to form its own government and guarantee he becomes prime minister, is more likely going to have to navigate the complex waters of compromising and dealmaking with his erstwhile election rivals — possibly even some of those whom the spellbinding orator insulted as "donkeys" in an unguarded moment on the campaign trail.

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The Rise, Fall And Rise Again Of Imran Khan, Pakistan's Next Leader (Gettleman, NYT)

Thursday, July 26, 2018

New York Times

By Jeffrey Gettleman

LAHORE, Pakistan — Imran Khan, a charismatic cricket star who has fiercely criticized American counterterrorism policy in a region plagued by extremism, appeared poised on Thursday to become Pakistan's next prime minister.

After preliminary results showed his party decisively ahead in an election that critics say was marred by military intervention to help him, Mr. Khan addressed the nation on television, outlining what he would do as prime minister.

He said he would fight corruption at the highest levels, improve relations with China, seek a "mutually beneficial" relationship with the United States and create a just welfare state along the lines of what the Prophet Muhammad did centuries ago.

"We're going to run Pakistan in a way it's never been run before," he said.

He also said he would never live in the prime minister's mansion. In a country of so many poor people, he said, "I would be embarrassed" to stay in such a house.

For years, Mr. Khan had tried but failed to take the reins of this nuclear-armed Islamic republic, which has struggled with poverty, economic stagnation and instability and which is increasingly torn between its two biggest allies: China and the United States. But this time around, he found a powerful ally in Pakistan's military.

In recent months, army and intelligence officers pressured, threatened and blackmailed politicians from rival parties, human rights groups have said, steadily thinning out Mr. Khan's competition.

Members of rival parties said some ballot counting had been done in secret, guarded by soldiers, but Pakistan's election authorities said the vote, on Wednesday, had been fair.

"The way this stage has been set, it would have been a surprise if he didn't win," said Nighat Dad, the executive director of Digital Rights Foundation, an advocacy group.

Mr. Khan's ascendance injects a volatile element into relations with the United States under President Trump, who has accused Pakistan of lying about the Taliban, Al Qaeda and other militants embedded in Pakistan and Afghanistan.

Mr. Khan has denied that and accused the United States of reckless murder in its use of drone strikes on suspected extremists in his country, signaling he wants them to stop.

Friends and foes describe Mr. Khan, 65, as relentless, charming, swaggering and highly unpredictable.

[Watch Jeffrey Gettleman answer viewer questions about the Pakistan elections.]

As a young man, his good looks, prowess on the cricket pitch and success with women made him something of a fascination in England, where he lived for a time. In 1982, he posed for a London newspaper lounging on a bed, wearing only briefs.

"Imran Khan is worried in case I portray him as a sex symbol," wrote the London newspaper journalist sent to interview him. "This is possibly why Imran is stretched across his hotel bed wearing only a petulant expression and a pair of tiny, black satin shorts."

But a complex, mysterious transformation would begin soon after. In 1992, Mr. Khan captained Pakistan's cricket team to a World Cup victory over England, the country's former colonial ruler. It was a moment of immense Pakistani pride, and Mr. Khan was at the center of it.

But looking back on it, he told interviewers, he felt empty.

He began to stay away from the clubs, the partying, the girlfriends. He began a quest to build a cancer hospital in Pakistan for the poor; his mother had died of cancer, and the two had been close.

He turned to Islam and the Sufi sect, which he said helped lend purpose to his life.

Then he entered politics. Pakistan in the late 1990s was a mess: Its Machiavellian spy services were working with the United States and, at the same time, supporting the Taliban and Osama bin Laden. The country was poor, troubled and divided — which could still be said today.

Mr. Khan seized on a single issue: governance.

"In Pakistan, the main problem is not extremism," he said in a recent interview with The New York Times. "We are a governance failure. And in any third world country, the moment the governance collapses, mafias appear."

He focused on corruption, repeatedly stating that a few political dynasties had shamelessly enriched themselves while governance weakened and the country grew poorer.

But Mr. Khan's shouts for reform were not taken seriously at first. The Justice Movement he founded in 1996 initially won only one seat in Parliament — his — and a Pakistani newspaper ridiculed him as "Im the Dim."

His personal life also careened back and forth, always attracting enormous attention, especially after he married a wealthy British heiress, Jemima Goldsmith. She converted to Islam, they had two children, and tried living in Pakistan together. But it did not last, and they divorced. Mr. Khan married twice more, the last time to his spiritual healer, which again raised eyebrows across Pakistan.

But he seemed adept at not letting the gossip pages distract him, and he kept hammering on about corruption. And two years ago, he received a gift from the Panama Papers.

Those files, an avalanche of millions of leaked confidential documents from a law firm in Panama, included several pieces of information that incriminated Pakistan's prime

minister at the time, Nawaz Sharif. Evidence began to build that Mr. Sharif had stolen millions of dollars from public coffers in Pakistan to buy expensive apartments in London, under the names of his children.

Mr. Khan capitalized on this and called for Mr. Sharif to resign. The Supreme Court removed Mr. Sharif from office, and just two weeks ago, right before the election, Mr. Sharif and his daughter were imprisoned.

Few would disagree that corruption is out of control in Pakistan. But many observers here saw something in Mr. Sharif's downfall that was more selective, possibly more sinister.

The widespread suspicion was that Pakistan's powerful military and intelligence services had pressured the judiciary to take out Mr. Sharif, clearing a path for Mr. Khan to take over. Mr. Sharif had clashed with the army chiefs, even some of those he had chosen, many times. He was a thorn in their side.

Mr. Khan, on the other hand, was someone the military bosses seemed to think they could work with. Analysts said he shared their worldview, in which Pakistan would kowtow less to the United States and talk more with the Taliban and other extremist groups.

In the prelude to the election, the military seemed to push even harder for Mr. Khan. Human rights groups, academics and members of other political parties said security officers threatened politicians to defect to Mr. Khan's side. Several did.

That does not mean that Mr. Khan was not genuinely popular. He was, especially among young men who lionized him as a sports hero. As elections loomed, a Khan wave swept Pakistan. His face was everywhere — on banners, lampposts and torn flags flying from the sputtering rickshaws that flit in and out of traffic. His supporters were the most energized and confident. His party's symbol: a cricket bat.

Votes were still being tabulated on Thursday, but Mr. Khan's party was far ahead, though still falling short of an outright majority in Parliament. According to results on state television, Mr. Khan's party had 120 seats, Mr. Sharif's party 61 and a party run by the Bhuttos, one of Pakistan's most storied political families, 40.

Even with some vote rigging allegations unsettled, it is widely expected that Mr. Khan will entice politicians from several smaller parties to join a coalition government, with him as prime minister. Depending on how many smaller parties he woos, his government could be strong or weak.

What will Mr. Khan face?

Domestically, the challenges will be overwhelming. Pakistan's electricity grid is disintegrated, its infant mortality rate is among the most distressing in Asia, its currency is sliding, and its debt — especially to China — is ballooning. So many Pakistanis are unable to find jobs that every year, countless young men set off on a desperate exodus to the Middle East to work as street cleaners, luggage handlers, anything.

Internationally, Pakistan is in a pinch. China has extended it billions to build roads and other infrastructure, which at the current rate will be impossible to repay.

At the same time, President Trump has cut hundreds of millions of dollars in foreign aid. "They have given us nothing but lies & deceit, thinking of our leaders as fools," Mr. Trump said of Pakistan in a tweet in January. "They give safe haven to the terrorists we hunt in Afghanistan, with little help. No more!"

Mr. Khan deeply disagrees.

"To blame Pakistan for that disaster is extremely unfair," he said in the recent Times interview. "The moment the U.S. went into Afghanistan, everyone knew what was going to happen."

"It was the history of Afghanistan," he added, citing the defeat of occupying Soviet troops in the 1980s. Just as with the Soviets, he said, the longer the Americans stayed, the more resistance would grow.

Pakistan, he says, has borne "the brunt of the war on terror," and he lamented what he called a misguided strategy that has killed thousands of people in his country and deprived Pakistan of billions of dollars in lost business. For years, he has been a particularly vocal critic of American drone strikes.

All these positions play well with many Pakistanis. So does Mr. Khan's recent support for the country's strict blasphemy laws. Pakistan is socially conservative, and about 96 percent of citizens are Muslim.

Mr. Khan's positions on religion have tacked like a sailboat over the years. But as the election drew closer, he seemed to set his course for the Islamists. In the past, he expressed support for the application of strict Islamic law, including hand amputations for thieves.

Mr. Khan has successfully rebranded himself as a populist alternative to Pakistan's political elite, whom voters seemed more than ready to jettison.

But his life, in many ways, could not have been more different from that of most Pakistanis.

Born to a rich family in Lahore, Mr. Khan went to the best schools in Pakistan and in England, including Keble College, Oxford. He is independently wealthy, still travels abroad

regularly and remains quite close to Ms. Goldsmith, despite their divorce.

Though many acquaintances credit him with being charming, he can also come across as remote and desultory. His attendance record as an elected member of the National Assembly, Pakistan's Parliament, was one of the worst.

Many analysts wonder how long Mr. Khan's friendship with the military will last.

"He is known to have erratic behavior and a very unpredictable personality," said Taha Siddiqui, a journalist, commentator and critic of the military who recently moved to France, saying he feared for his safety.

Salman Masood contributed reporting from Islamabad, Pakistan; and Meher Ahmad and Daniyal Hassan from Lahore.

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Pakistan's Khan Poses U.S., China Challenges (Pollard, Marlow, BLOOM)

Thursday, July 26, 2018

Bloomberg News

By Ruth Pollard And Iain Marlow

Want to receive this post in your inbox every morning? Sign up for the Balance of Power newsletter, and follow Bloomberg Politics on Twitter and Facebook for more.

The likelihood that former playboy cricketer Imran Khan, known for courting Islamist fringe groups, will lead the nuclear-armed nation of Pakistan is sure to raise eyebrows in Washington and Beijing.

Khan's elevation — in an election marred by violence and allegations of military interference and vote rigging — would clear the way for Pakistan to open negotiations with the International Monetary Fund over another, much-needed bailout. Investors are already expressing relief at the prospect of an outright win after expectations of a hung parliament.

But he's also earned the moniker "Taliban Khan" from critics for cozying up to Pakistan's Islamists. He's funded a radical madrassa and said in the past that he will shoot down U.S. drones. The candidate maintains it's not Pakistan's support of proxy groups preventing peace in Afghanistan, but America's presence, which puts him in direct conflict with U.S. President Donald Trump.

China might not be pleased either. Beijing is flooding Pakistan with more than \$60 billion in infrastructure loans and investments. Khan, who won power as an anti-corruption crusader, has said these projects need more transparency.

For now, he may choose to focus on Pakistan's economy rather than battle the country's powerful generals over foreign policy and national security issues. Global Headlines

Crisis averted – for now | European carmakers surged after Trump and European Commission President Jean-Claude Juncker declared a ceasefire in their trade spat and agreed to negotiate to reduce barriers to transatlantic commerce. The leaders pledged to expand European imports of U.S. liquefied natural gas and soybeans and to lower industrial tariffs. But experts are divided on what the deal means for U.S. tensions with China.

Impeachment articles | Eleven U.S. House conservatives took the dramatic step late yesterday of filing articles of impeachment against Deputy Attorney General Rod Rosenstein, based on what they say has been nearly nine months of stonewalling of congressional demands for documents related to Special Counsel Robert Mueller's Russian meddling investigation. Rosenstein, though, has proved resilient so far to threats from lawmakers, and some are predicting he'll ride out this latest attack.

Backing away from Putin | The White House announced yesterday that Trump will delay until next year a second summit with Russian President Vladimir Putin that they'd considered scheduling for this fall in Washington. The move, coinciding with Secretary of State Michael Pompeo's Senate grilling over Russia policy, follows a wave of bipartisan criticism of the invitation.

Brexit horsetrading | Theresa May could allow the EU to impose its market regulations on Northern Ireland when the rest of the U.K. breaks away, potentially enraging her key allies in Parliament. The premier is prepared to make that concession to break the deadlock in negotiations, with some EU countries pushing for concessions to the City of London.

User disenchantment | Facebook has been working to convince users it has their best interests at heart, but second-quarter revenue and average daily visitors still missed analysts' projections. The company's first financial stumble in three years comes amid public scandals over privacy and content. Look out for the opening of U.S. markets today when its \$151 billion rout could rewrite the history books.

And finally... The European Commission is declaring victory after its agreement with the U.S. prevented the global trade war from escalating. But with no sign Trump plans to return to the Paris Climate Accord, it seems the EU has ditched its pledge to make emissions controls part of any future trade pacts.

— With assistance by Caroline Alexander, and Kathleen Hunter

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Pakistan's Imran Khan Declares Election Win For His Party (Gannon, Khan, WT)

Thursday, July 26, 2018

Washington Times

By Kathy Gannon And Zarar Khan

Pakistan's cricket star turned politician Imran Khan declared victory Thursday for his party in the country's general elections, promising a "new" Pakistan following a vote that was marred by allegations of fraud and militant violence.

Khan, who aspires to be the country's next prime minister, said in a televised address to the nation that "thanks to God, we won and we were successful."

"If God wills, we will set an example," he added.

Pakistan's election commission has not yet released official, final results but Khan has maintained a commanding lead according to projections by many television stations, though it's unclear if his Tehreek-e-Insaf party, or PTI, would get a simple majority or have to form a coalition government.

Election officials said an official count confirming Pakistan's next government was expected later in the evening.

Khan's message of a "new" Pakistan resonated with young voters in a country where 64 per cent of its 200 million people are below the age of 30, according to a United Nations report.

More than a dozen TV channels in Pakistan, based on official but partial counts, were projecting – using their own, undisclosed methodologies – that Khan's Pakistan Tehreek-e-Insaf party is getting as many as 119 seats of the 270 National Assembly seats that were contested.

The remainder in the 342-seat Lower House of Parliament includes reserved seats for women and minorities. Voting for two seats was postponed after one candidate died during the campaign and another was disqualified.

But before even half the votes were counted, Khan's leading rival Shahbaz Sharif, who heads the Pakistan Muslim League – the party of jailed ex-prime minister Nawaz Sharif – rejected the vote, generating fears that disgruntled losers could delay the formation of the next government. Television projections give his party hardly 61 seats.

In a tweet on his official page, Sharif said "our democratic process has been pushed back by decades," adding that "had the public mandate been delivered in a fair manner, we would have accepted it happily."

Complaints have also emerged from the independent Human Rights Commission, which issued a statement saying that in some places women were not allowed to vote.

In other areas, it said, “polling staff appeared to be biased toward a certain party,” without naming the party. In the days before Wednesday’s election, leading rights activist I.A. Rehman called the campaign “the dirtiest” in his country’s troubled journey toward sustained democracy.

Analysts have expressed concern that disgruntled losers could create instability for the incoming new government, which will face mounting challenges – including a crumbling economy, a crippling debt and a raging militancy.

As voting got underway on Wednesday in the southwestern city of Quetta, the Baluchistan provincial capital, militants sent a suicide bomber to a crowding polling station to carry out a deadly attack that killed 31 people.

The election, in which Pakistanis voted for the National Assembly, the lower house of parliament, and the four provincial assemblies, marked only the second time in Pakistan’s 71-year history that one civilian government has handed power to another in the country of 200 million people.

Yet there have been widespread concerns during the election campaign about manipulation by the military, which has directly or indirectly ruled Pakistan for most of its existence. The military had deployed 350,000 troops at the 85,000 polling stations.

In a tweet on his official account, Pakistan’s military spokesman Gen. Asif Ghafoor called accusations of interference “malicious propaganda.”

Baluchistan also saw the worst violence during campaigning earlier this month, when a suicide bomber struck at a political rally, killing 149 people, including the candidate Siraj Raisani. Another 400 were wounded. The Islamic State group claimed responsibility for that attack. Baluchistan has been roiled by relentless attacks, both by the province’s secessionists and Sunni militants who have killed hundreds of Shiites there.

Throughout the night and into Thursday, Khan supporters celebrated outside party offices countrywide. Most of the revelers were young men, who danced to the sound of beating drums draped in Tehreek-e-Insaf party black and green-colored flags.

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Outrage Grows Over Attacks On Muslim Cattle Traders In India (Sharma, AP)

Thursday, July 26, 2018

[Associated Press](#)

By Ashok Sharma

NEW DELHI (AP) — When a mob of Hindu villagers thrashed a Muslim cattle trader last week in western India, police rushed to the scene. First, they took his two cows to an

animal shed, then kept him for about three hours in the police station.

When they finally took 28-year-old Rakbar Khan to the nearest hospital around 4 a.m. Saturday, doctors said he was dead.

A series of mob attacks on minority groups involved in cattle trade have been on the rise since the Hindu nationalist Bharatiya Janata Party swept elections in 2014. The opposition raised the issue repeatedly in Parliament this week, criticizing the government for its inability to protect traders.

Haroon Khan, a relative of the man who died in Rajasthan state last week, said the reason Rakbar Khan was taking the cows at night was “because we can’t venture out in daylight (to transport cows). There is so much fear.”

The mob who assaulted him “beat him so badly and mercilessly that they broke the bones of his feet and hands, broke his neck,” Haroon Khan said.

As the opposition and human rights group expressed outrage at Khan’s killing, a top Rajasthan state police officer, N.R.K. Reddy, said there was an “error of judgment” on the part of the police.

“It was a mistake by the police officer to keep the injured for so long in the police station,” said state Home Minister Gulab Singh Kataria.

He told reporters on Tuesday that police should have taken the injured to the hospital in the first place instead of delivering cows to the shelter.

The evidence collected so far points to Khan’s death in custody, he added. An investigation is underway.

Police have arrested three suspects in the beating and suspended one officer. Kataria said four to five people had attacked Khan.

Most of the attacks by so-called cow vigilantes from Hindu hard-line groups have targeted Muslims, who make up 14 percent of India’s 1.3 billion people.

Cows are considered sacred in Hindu-majority India, and slaughtering them or eating beef is illegal or restricted across much of the country.

The victims have been accused of either smuggling cows for slaughter or carrying beef. Last month, two Muslims were lynched in eastern Jharkhand state on charges of cattle theft.

Dozens of people have been killed in such attacks. The vigilante groups are mostly Hindu hard liners believed to be tied to Prime Minister Narendra Modi’s ruling party.

Rights groups and Muslims say government officials, including Modi, have been slow to strongly condemn the attacks and that police action against perpetrators has been inadequate. The government denies the charge.

With vigilante attacks on the rise, India's top court earlier this month ordered the government to introduce a new law to stop deadly mob violence. In addition to attacks targeting cattle traders or presumed beef consumers, mobs have also attacked innocent people who were targeted by social media rumors claiming they belonged to child-kidnapping gangs.

India's Home Minister Rajnath Singh this week set up a committee to formulate appropriate measures to deal with such incidents and ordered state governments to sternly deal with such crimes.

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Indian Firm Wants Ohio Aluminum Maker. Will Trump Approve? (Goel, NYT)

Thursday, July 26, 2018

New York Times

By Vindu Goel

MUMBAI, India — Last year, the Trump administration blocked a Chinese company from buying an Ohio-based aluminum maker, Aleris, citing concerns about national security.

Will President Trump and his advisers feel differently about an Indian company purchasing Aleris instead?

On Thursday, one of India's biggest industrial conglomerates, the Aditya Birla Group, announced that its aluminum and copper subsidiary had struck a deal to buy Aleris for \$2.6 billion, including the assumption of existing debt.

The transaction would make the Birla subsidiary, called Hindalco, the second-largest aluminum producer in the world by volume, after China Hongqiao Group.

Under federal rules, the deal must be approved by the Committee on Foreign Investment in the United States, a secretive panel of government officials that advises the president on whether to stop acquisitions of American companies by foreigners.

In recent years, the panel, known as Cfius, has been particularly skeptical of Chinese companies seeking to buy American businesses in important industries like computer chips and financial services.

Last summer, Cfius refused to sign off on a proposed \$2.3 billion purchase of Aleris by a company controlled by the Chinese metals magnate Liu Zhongtian. That effectively killed the deal and pushed Aleris's investors — principally Oaktree Capital Management, Apollo Global Management and Bain Capital — to find another buyer.

The Indian transaction could be one of the first reviewed under a new law, expected to be passed by Congress soon, to broaden the powers of Cfius.

Hindalco executives said they did not anticipate running into the same difficulties that the Chinese buyer encountered.

But Kumar Mangalam Birla, who leads the Aditya Birla Group, noted that Mr. Trump is unpredictable.

"We don't know how he thinks," Mr. Birla said at a news conference in Mumbai, where his company has its headquarters.

The Trump administration has been trying to build a stronger relationship with India as a counterweight to China. At the same time, trade tensions have been rising.

Mr. Trump has lashed out at India's high tariffs on products like Harley-Davidson motorcycles. His recent imposition of tariffs on imported steel and aluminum has hurt Indian producers, prompting India to respond with higher tariffs on American almonds, apples, shrimp, and iron and steel products.

Hindalco already has a large American subsidiary, Novelis, that is based in Atlanta and will merge with Aleris.

Novelis dominates the aluminum can business and is a major supplier to the auto industry. Aleris, which is based in suburban Cleveland, would bring strong positions in aluminum for buildings and airplanes and a newly expanded factory in Lewisport, Ky., that serves automakers.

"We're investing in the U.S.," Devinder Ahuja, the chief financial officer of Novelis, said in an interview. "We're creating jobs in the U.S. That's what the U.S. administration wants."

Mr. Ahuja said that Novelis would continue with Aleris's previously announced expansion plans and did not envision layoffs beyond areas of clear duplication like top management and the corporate back office.

Hindalco also intends to bring some of Aleris's advanced technology back to India to improve its domestic operations and better serve the local auto and construction markets.

By owning an American aluminum maker like Aleris, Hindalco would benefit from Mr. Trump's 10 percent tariff on aluminum imports, although Aleris also has operations in Europe and

China that could suffer if current tensions devolve into a full-scale trade war.

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Cricket Star Imran Khan Wins In Pakistan But Needs Coalition (Gannon, Ahmed, AP)

Friday, July 27, 2018

Associated Press

By Kathy Gannon And Munir Ahmed

ISLAMABAD (AP) — It's official: Pakistan's Election Commission on Friday declared former cricket star Imran Khan's party the winner of Pakistan's historic third consecutive election of a civilian government, but he didn't win an outright majority and must form a coalition.

After two days of tediously slow vote counting, Khan's Pakistan Tehreek-e-Insaf party won 109 of 269 seats in the National Assembly with his nearest rival, Shahbaz Sharif's Pakistan Muslim League, winning 63 seats. Sharif, who heads the party of jailed ex-prime minister Nawaz Sharif, earlier rejected the results charging widespread fraud and manipulation.

In Pakistan, where a British-modeled parliamentary system is in place, voters on Wednesday elected lawmakers to both its National Assembly and its four provincial Parliaments.

Fawad Chaudhry, spokesman for Khan's party, said efforts were already underway to form a coalition, looking to both independents and allies, but the process is likely to take several days. Still, on Thursday the 65-year-old Khan made his first speech to the nation declaring his party victorious based on projections.

"Today in front of you, in front of the people of Pakistan, I pledge I will run Pakistan in such a way as it has never before been run," Khan said, vowing to wipe out corruption, strengthen institutions he called dysfunctional and regain national pride by developing international relationships based on respect and equality.

But there is a long way to go before Pakistan's national and provincial governments are in place and Khan can set out on his agenda.

His opponents and rights groups charge that widespread fraud and massive manipulation gave Khan's party its victory. They allege involvement of Pakistan's powerful military and its intelligence agency known by the acronym ISI. Khan has dismissed the allegations saying polling was the most transparent in the country's 71-year history, which has been dominated by military interference, either directly or indirectly.

Third place in the National Assembly went to the left-of-center Pakistan People's party with 39 seats. Results from 20 seats

were still being counted Friday but they will not change the outcome. Pakistan's National Assembly has 342 seats but only 272 are directly elected by voters. In Wednesday's election three seats were uncontested because one candidate died, another was disqualified and a third was declared. The remainder of the parliament goes to seats reserved for women and minorities.

A mix of smaller parties and independent candidates whom Khan will have to woo to form a coalition won the remainder of seats in Pakistan's National Assembly. The Election Commission said vote counting was also still underway in 20 remote areas of the country, offering the long-time politician a possibility of more seats but not an outright majority.

Adding confusion to chaos, Sharif, who has rejected the election results won the majority of seats in Pakistan's most powerful Punjab province. His party won 127 of the 297-seat provincial parliament, while Khan's PTI took 117 seats, giving neither an outright majority and forcing both to try to form a coalition government. The Punjab parliament is significant because Punjab is Pakistan's largest province, with 60 percent of the country's 200 million people. If Khan wants to implement his sweeping reform agenda his party needs to control the Punjab Parliament.

Khan's party won a sweeping majority in the conservative Khyber Pukhtunkhwa province, while the Pakistan People's Party, led by Bilawal Bhutto, the son of slain ex-prime minister Benazir Bhutto, won the most seats in southern Sindh's provincial legislature. Pakistan's largest city of Karachi and the country's financial hub is the provincial capital of Sindh.

The restive Baluchistan province beset by militant violence was won by a mix of small parties who will have to form a coalition to rule.

There will likely be days of negotiation before the makeup of Pakistan's National Assembly and four provincial parliaments are clear and the maneuvering will be watched closely by Pakistan's neighbors as well as regional powers such as China, Russia and the U.S.

Khan in his speech on Thursday revealed a clarity of vision for Pakistan's future international relationships.

While he appeared casual and conciliatory, his words were laced with passion. He said the United States treats Pakistan like a mercenary, giving it billions of dollars to fight the war on terrorism in a region beset with militant extremists.

"Unfortunately, so far our relations were one-sided. America thinks that it gives Pakistan money to fight for them. Because of this Pakistan suffered a lot," said Khan, who has been critical of the U.S.-led conflict in neighboring Afghanistan.

He offered nothing to suggest improvement in Pakistan's already testy relationship with Washington since President Donald Trump's tweets in January accusing Islamabad of taking U.S. aid and returning only lies and deceit.

Seeking good relations with his neighbors, Khan addressed Pakistan's rival, neighboring India. The two nuclear powers have had a long-running conflict over the disputed region of Kashmir.

"Take one step toward us and we will take two steps toward you," he said in a peace offering while still decrying widespread human rights abuses in Kashmir.

Khan also advocated an open border policy with Afghanistan, even suggesting the two countries embrace a "European Union" type relationship. The plan seems unlikely, with Pakistan's military already building hundreds of border outposts and an accompanying fence along its western frontier with Afghanistan despite often-violent opposition from Kabul.

Although rights groups and minorities expressed worries ahead of the voting about radical religious groups taking part, moderate voices seemed to have prevailed: None of the 265 candidates fielded by the outlawed Lashkar-e-Taiba won a seat. That includes the son of co-founder and U.S.-designated terrorist Hafiz Saeed, who has a \$10 million U.S. bounty on his head.

The candidates campaigned under the little known Allah-o-Akbar Tehreek party because Lashkar-e-Taiba is banned.

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WESTERN HEMISPHERE

Bishops Bloodied, Churches Besieged In Nicaragua Crackdown (Sherman, AP)

Friday, July 27, 2018

[Associated Press](#)

By Christopher Sherman

DIRIAMBÁ, Nicaragua (AP) — A pro-government mob shoved, punched and scratched at Cardinal Leopoldo Brenes and other Catholic leaders as they tried to enter the Basilica San Sebastian. "Murderers!" people shouted. An auxiliary bishop was slashed on the arm with some sort of sharp object.

The ugly scene in the normally sleepy town of Diriamba, an hour's drive south of Nicaragua's capital, was a dramatic example of how rapidly a wave of unrest has soured relations

between the Roman Catholic Church and beleaguered President Daniel Ortega.

The church has tried to play a mediating role between Ortega's Sandinista government and protesters who have increasingly demanded his ouster amid demonstrations and clashes in which about 450 people — most of them protesters — have been slain.

Instead it finds itself increasingly targeted by Ortega and his backers, reviving a hostility between the Sandinista base and the church establishment that burned hot during the 1980s but seemed to have been overcome in recent years, when the former guerrilla commander had formed a sort of alliance with once-critical bishops.

In this July 19, 2018 file photo, Nicaraguan President Daniel Ortega arrives to a rally marking the 39th anniversary of the Sandinista victory ousting the Somoza dictatorship, in Managua, Nicaragua. In his speech, Ortega accused bishops of being in league with coup-mongers calling for his ouster, and allowing weapons to be stockpiled in churches. (AP Photo/Alfredo Zuniga, File)

Brenes, the archbishop of Managua, went to Diriamba on July 9, a day after speaking to priests there by phone and hearing gunshots and ambulances. He found doctors and nurses who had tended to wounded protesters and now were sheltering inside the basilica, surrounded by pro-government forces.

"There was a fear that they would enter the church to snatch the people who were sheltering here," said the parish priest, the Rev. Cesar Alberto Castillo Rodriguez.

Despite the scuffle at the door, Brenes' delegation, which included the Vatican's top diplomat in Nicaragua, was eventually able to evacuate people from the church.

Two weeks later, despite a massive police presence, the church is covered with pro-government graffiti.

In this Monday, July 23, 2018 photo, a moto-taxi drives past the San Sebastian Basilica, that has been defaced with a message that reads in Spanish: "My commander stays," an allusion to President Daniel Ortega, in Diriamba, Nicaragua. (AP Photo/Arnulfo Franco)

"My commander stays," reads one scrawl, an allusion to Ortega, and others contain vulgar insults. They're signed "JS" for the Spanish-language initials of the Sandinista Youth, a pro-government organization that has acted as shock troops against protesters.

The basilica eventually resumed services, but like many parishes in Nicaragua, it has stopped holding Mass in the evenings when police and armed pro-Ortega mobs rule the streets.

"We realized that the people weren't coming," Brenes said.

The church, essentially the last independent institution trusted by a large portion of Nicaraguans, is witnessing the whiplash-inducing shifts of Ortega, who appears to have regained his footing amid the most serious challenge to his power in the decade-plus since he regained office.

In April the president asked the church to mediate peace talks. But the dialogue quickly broke down when it became clear he would not move up elections scheduled for 2021.

In this July 16, 2018 file photo, friends and family carry the coffin containing the remains of Gerald Vasquez, an engineering student who was killed while manning a barricade near the Jesus of Divine Mercy church, in Managua, Nicaragua. (AP Photo/Alfredo Zuniga)

Last week Ortega accused bishops of being in league with coup-plotters and allowing weapons to be stockpiled in churches — without offering any evidence — and said they were "disqualified" as mediators.

Days later he reversed course again, saying he hoped the church would continue mediating and insisting that the government was not persecuting it.

"Ortega's strategy with the church has always been to either charm or to intimidate," said Henri Gooren, an anthropologist at Oakland University in Michigan and editor of the Encyclopedia of Latin American Religions. "I think he found out that charming isn't working ... so all that he can do now is try to intimidate them, try to take away their credibility."

Through his verbal attacks, Ortega is "telling his followers, especially the (pro-government gangs), 'You can go ahead and beat up priests and bishops and vandalize church buildings without any punishment,'" Gooren said.

This week Brenes and his bishops met and agreed to continue pursuing dialogue, the only option he sees for stopping the violence. While discussion of "democratizing" Nicaragua has gone nowhere over Ortega's refusal to leave office, he said negotiators have been able to secure help for arrested protesters, peaceful removal of some barricades and access by international monitors such as the OAS.

In this Monday, July 23, 2018 photo, Rev. Cesar Alberto Castillo officiates a Catholic Mass in Diriamba, Nicaragua, at the San Sebastian Basilica where a groups of priest, bishops and Cardinal Leopoldo Brenes were recently attacked by pro-government mobs. (AP Photo/Arnulfo Franco)

The way he sees it, without the dialogue even more would have been killed.

The 69-year-old cardinal can also take a long view, because he's been through this before.

Interviewed on the patio of his modest home in Managua, Brenes recalled how decades ago as a young priest, he harbored youths who supported Ortega's Sandinista Front when they were pursued by national guard troops from the Somoza dictatorship.

And in 1979, after transferring to a parish in Jinotepe, armed Sandinista fighters took over his church. Once a sniper trapped him in the rectory with a woman and a young girl he had pulled inside. They hid under a washbasin for three days surviving on cookies and a bag of pinol, a cornstarch and chocolate powder mixed with water or milk.

In 1991, Brenes helped mediate between the Sandinista army and U.S.-backed Contra rebels, traveling into the mountains of Matagalpa and running back and forth between representatives of two sides that refused to even approach each other.

In this Tuesday, July 24, 2018 photo, Cardinal Leopoldo Brenes pauses during an interview where he speaks on Nicaragua's unrest, in his home in Managua, Nicaragua. (AP Photo/Arnulfo Franco)

After Ortega's speech calling the bishops coup plotters, Brenes said that he looked up the Spanish word, "golpista," in the dictionary, and what he found was the antithesis of what he's trying to do.

"I read there: 'Someone who acts to take power,'" Brenes said. "Well, that's not me. That's not us."

Ortega clashed repeatedly with the church's conservative authorities when his socialist-oriented Sandinistas governed in the 1980s — a time when many young leftist priests openly backed the former guerrillas, infuriating Pope John Paul II.

But Ortega worked to mend relations with the church after he lost elections in the 1990s, and by the time he regained power in 2006, he was making frequent public displays of piety and had forged a friendship with the Nicaraguan church's leader, the late Archbishop Miguel Obando y Bravo.

When the new wave of protests broke out in April — initially over cuts to the social security system — government forces and Sandinista Youth struck back hard.

In this May 23, 2018 file photo, leaders of the Roman Catholic Church look down as Cardinal Leopoldo Brenes reads a statement suspending talks between the opposition and the government, in Managua, Nicaragua. (AP Photo/Alfredo Zuniga, File)

On April 20, hundreds of student protesters sought refuge at Managua's cathedral, where the church was collecting donations to support demonstrators. When police and Sandinista Youth descended, the students retreated inside, leaving only after clergy negotiated their safe passage.

Brenes and several bishops made public statements against violence and in favor of dialogue. The Episcopal Conference later issued a more forceful condemnation of the crackdown and urged authorities “to hear the cry of the young Nicaraguans.”

The Vatican has been mostly quiet about the conflict, deferring as it usually does to behind-the-scenes diplomacy while the local church manages the situation on the ground.

Last week Pope Francis’ ambassador to Nicaragua did put out a statement expressing the pontiff’s “deep concern for the grave situation.”

The same day as the attack in Diriamba, Ortega supporters sacked the Santiago Apostol parish in Jinotepe, tossing pews down the front steps while shouting that the church was harboring terrorists.

The most harrowing incident occurred at the Jesus of Divine Mercy church in Managua.

This Tuesday, July 24, 2018 photo, shows a painting of Jesus Christ pierced with bullet holes as seen through an entrance point of a bullet hole in a window of the Jesus of Divine Mercy church, in Managua, Nicaragua. (AP Photo/Arnulfo Franco)

For nearly 15 hours overnight on July 13-14, armed government backers fired on the church while 155 student protesters who had been dislodged from a nearby university lay under the pews. A student who was shot in the head at a barricade outside died on the rectory floor.

Brenes made sure they arrived safely at the city’s cathedral.

The Divine Mercy’s facade is still pocked from hundreds of bullet impacts. A small chapel behind the main sanctuary sustained the heaviest fire; rounds pierced a painting of Jesus Christ and ricocheted off the gold-plated box holding the sacrament.

On a recent Sunday, parishioner Nelly Harding, 56, wiped away tears as she stepped outside the chapel: “If they don’t respect the house of God, don’t respect the lives of defenseless people, what can we hope for?”

Parish priest Erick Alvarado Cole said police have not come to investigate and the building’s scars will be left just as they are.

“These holes in the walls, the Christ, the side chapel, the windows, are going to stay this way as proof of the pain of the Nicaraguan people,” Alvarado said. “If it’s repaired, it’s like nothing happened.”

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Associated Press writer Nicole Winfield contributed to this report from Rome.

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Masked Paramilitary Gunmen Enforce Tense Calm In Nicaragua (Johnson, MH)

Thursday, July 26, 2018

Miami Herald

By Tim Johnson

They ride in the back of Toyota double-cabin pickup trucks, assault rifles slung over their shoulders. No one knows their identities. They always wear black ski masks or hoods.

The gunmen — between 1,000 and 1,500 of them, according to some estimates — are part of a recently formed paramilitary force protecting the continued rule of President Daniel Ortega against a three-month-old civilian uprising. Their main tactic is terror. They conduct roundups, fire at protesters, carry out dark-of-night raids and menace the population.

The Pro-Human Rights Association of Nicaragua said Thursday that paramilitary forces have conducted 595 “kidnappings” and disappearances of citizens since the uprising began April 18. The group said it has tallied 97 killings since July 11.

“Today in Nicaragua, there exists an undeclared state of siege,” Alvaro Leiva, executive director of the rights group, said at a news conference. SIGN UP

Police statements make no mention of hooded gunmen when describing deaths, such as that of Brazilian medical student Raynéia Lima, who was shot and killed Monday night in Managua. Police said a private security guard shot the 31-year-old. But they have made no arrests, and her vehicle has vanished. Brazil lodged a diplomatic protest.

In some ways, the paramilitary forces have achieved their objective. Almost none of the scores of massive roadblocks that paralyzed the country from the uprising’s onset in April remain. In public statements, Ortega sounds upbeat, claiming that the country is returning to normal.

“It’s been a week now that turmoil has stopped,” Ortega told Fox News on Monday.

While Ortega may feel he’s gaining the upper hand, his opponents say he’s taken Nicaragua on a dark path. Tourist arrivals have plunged, and 800 of the nation’s 2,500 restaurants are dark. Jittery Nicaraguans have yanked some \$715 million from banks since the beginning of April.

"People go home at 5 or 6 and they don't leave at night out of fear," said Lucy Valenti, president of the Nicaraguan National Chamber of Tourism, a trade group.

Ortega denies that he had anything to do with creating the informal militias that continue to patrol city and country roads, though less visibly than week or two ago. But the fiction is blatant. Television broadcasts from July 14 show the 72-year-old revolutionary-turned-autocrat embracing hooded gunmen after they dislodged protesters in Masaya, where opponents of Ortega had turned the city into a citadel against his rule.

"They can detain people on the highway. They can search vehicles, ask for papers, search cellphones," said Sergio Ramirez, an acclaimed writer who served as Ortega's vice president from 1985 to 1990 but is now a bitter critic. "You can turn up tortured on the side of the road or jailed in El Chipote," a notorious prison.

Uniformed police often accompany the paramilitary forces but it is the militias who are better armed. They carry high-caliber rifles, including ones with telescopic sights. One was photographed with a rocket-propelled grenade.

"They don't answer to anyone," Ramirez said. "It is as if in the United States the Ku Klux Klan would appear carrying weapons and doing roundups, and the police were protecting the actions of the Ku Klux Klan."

Leaders of an opposition alliance seeking Ortega's removal before his term ends in 2021 have pledged to use nonviolent means, but the fierce crackdown may imperil that objective.

"The more time that passes, the more desire people have to defend themselves," said Fidel Moreira Flores, leader of the Center for Governance and Democracy Studies, a non-governmental organization with offices in Nicaragua. He said young people are restive. "They are shouting: Look for weapons so we can defend ourselves."

Like many civil society leaders, Moreira fears that his own arrest may be imminent.

"Some friends called me yesterday and told me I am on a list and should leave the country," Moreira said, adding that his contacts are connected to the government.

Lesther Alemán, a 20-year-old university student who took part in early rounds of Catholic Church-mediated negotiations between Ortega and the opposition, said paramilitary forces are pursuing anyone deemed supportive of the opposition.

"People who offer provisions are being hunted. People who go to the marches are being hunted. Those who have lent their homes as safe houses are being hunted. They are on a constant witch hunt," Alemán said in taped responses sent to a reporter from a secret location.

Alemán said he wasn't personally afraid but "I am very worried about my family."

Those who look down the road say they fear the paramilitary units eventually will turn to open criminality, making Nicaragua look more like its violence-wracked neighbors to the north: Honduras, El Salvador and Guatemala.

"You create them but you don't control them. They have their own social dynamic. They are starting to rob on the streets," said Óscar René Vargas, a sociologist.

Armed groups aren't Ortega's only tool to combat his opponents. The Sandinista Front-controlled National Assembly on July 16 approved a sweeping antiterror law that allows the state to prosecute anyone who causes death or injuries or destroys public or private property.

The loose wording lets the government interpret the law to go after "people who are simply exercising their right to protest," Rupert Colville, spokesman for the United Nations High Commissioner for Human Rights, told a U.N. news service.

But Nicaraguans are not prone to bottling up their feelings, and even as ordinary citizens hunker down in fear they have made life difficult for officials who venture into public.

"You see now that the principal Sandinista officials can't go to the supermarket. They board airplanes and people start shouting at them, 'murderers,'" said José Adán Aguerri, president of Nicaragua's largest business and agricultural group, the Superior Council of Private Enterprise.

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Rights Group Updates Death Toll In Nicaragua Unrest To 448 (AP)

Thursday, July 26, 2018

[Associated Press](#)

MANAGUA, Nicaragua (AP) — A rights group on Thursday raised by nearly 100 to 448 the number of dead from more than three months of political upheaval and protests demanding President Daniel Ortega leave office.

Alvaro Leiva, director of the Nicaraguan Pro-Human Rights Association, said 399 of the dead had been identified and there were photographs, news reports and other evidence to document the other cases.

The unrest began in April as protests against proposed social security cuts, which were later scrapped. Following a violent crackdown by security forces and allied armed civilian groups, the demonstrations grew and broadened in scope to accuse the president of being an authoritarian and include a demand for early elections.

Ortega has denied any responsibility for the killings and accuses those seeking his exit of being coup plotters. He also rejected the idea of moving up the presidential vote scheduled for 2021, something that domestic critics, the Organization of American States, the United States and other nations have called for.

Leiva said the most deaths, 189, took place in Managua. That was followed by 55 in Masaya, southeast of the capital.

Attacks attributed to Nicaraguan security forces and armed supporters of Ortega's Sandinista movement have also recently begun squarely targeting the Roman Catholic Church, including church buildings, priests and even the cardinal.

At an event on religious freedom held Thursday at the U.S. State Department, Vice President Mike Pence accused Ortega of "virtually waging war on the Catholic Church."

"For months Nicaragua's bishops have sought to broker a national dialogue following pro-democracy protests that swept through the country earlier this year," Pence said. "But government-backed mobs armed with machetes, and even heavy weapons, have attacked parishes and church properties, and bishops and priests have been physically assaulted by the police."

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Nicaragua Rights Group Urges Ortega To Disband Paramilitaries (AFP)

Thursday, July 26, 2018

AFP

Managua (AFP) – A rights group in Nicaragua on Thursday called on President Daniel Ortega to disband paramilitary groups accused of killing, torturing and kidnapping anti-government protesters.

The head of the Nicaraguan Association for Human Rights, Alvaro Leiva, told a news conference that if Ortega wanted to prove his assertion that the paramilitaries were not under government control, "he should step up to guarantee citizens' right to security."

In interviews this week with US and Venezuelan television networks, Ortega denied persistent allegations that the armed and masked paramilitary gunmen seen operating in coordination with police were under his government's command.

Each time he was asked about the armed groups, Ortega switched attention to anti-government militias he accused the

opposition of running with US funding, accusing them of killing dozens of police officers.

Three months of unrest in Nicaragua have claimed more than 300 lives, according to rights groups.

Protesters demanding Ortega step down have been countered with repression by police and paramilitaries firing live ammunition.

Ortega said on Monday that he believed that the "turmoil has stopped" and "matters are becoming more normal" in the country, one of Latin America's poorest.

But since then, at least four more people have been killed, including a Brazilian medical student, and Leiva said "citizens are in a deep state of fear" over actions by the paramilitaries.

The Nicaraguan Association for Human Rights alleged anti-riot units and government shock troops were among the members of the paramilitary squads, which went around masked and armed.

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New To Haiti: Foster Care For The Nation's Parentless Kids (Crary, AP)

Thursday, July 26, 2018

Associated Press

By David Crary

PORT-AU-PRINCE, Haiti (AP) — Like roughly a quarter of Haiti's children, 11-year-old Franchina has spent much of her short life without parents.

Her mother dead, her father in prison, Franchina was placed in a state-run orphanage as a toddler, remaining illiterate year after year and seemingly destined for a hard life in the Western Hemisphere's poorest nation.

But this year, Franchina's fortunes took a hopeful turn.

She has benefited from the newfound resolution of Haiti's government to improve the deplorable status of the country's children, and more specifically from a partnership between the state child welfare agency and several international child-service organizations.

In a country and region with no tradition of formal foster-care systems, they are recruiting and training Haitians who buy into the idea that being a foster parent is a noble mission.

"There's a certain satisfaction to it," said Jeannes Pierre, 61, a Baptist pastor in Port-au-Prince who is now Franchina's foster father. "It's doing something extraordinary."

In her orphanage, Franchina shared a bunkroom with many other children. Now she has a bedroom to herself, small and simple but enlivened by a colorful stack of books. To her

delight, her foster parents taught her how to read within weeks of her arrival.

"It's like removing the darkness from the eyes of a child," Pierre said.

The Pierres do not know how long Franchina will be with them. "We want to keep her as long as possible," Pierre said. And Franchina, it seems, would agree.

Asked what she likes best about her new life, at first she was too shy to respond.

Then she confided: "I like everything."

Franchina 11, plays with a cat at her foster home in Port-au-Prince, Haiti. (AP Photo/Dieu Nalio Chery)

Many of Haiti's youths live on the streets; hundreds of thousands are domestic workers in other families' homes. Franchina was among the 30,000 or so consigned to orphanage-like institutions ranging in quality from adequate to abominable.

By itself, foster care won't come close to resolving the plight of Haiti's children. Long-term solutions are needed that for now are beyond the government's financial reach — notably, better educational opportunities and social supports so poor families don't feel compelled to place their children in orphanages or domestic servitude in the first place.

But the new program is cited by Haitian and foreign experts as evidence of the government's determination to modernize and strengthen an array of child-oriented policies and practices — and lessen reliance on foreign-based charities and mission groups.

"There's no magic bullet, no one solution," said Marc Vincent, who heads UNICEF's operations in Haiti. "But it's important to recognize the steps the government is taking — it is passionate about making things better."

Some of the changes derive from the island's devastating 2010 earthquake, which fueled a surge of international adoptions, primarily to the United States. Some Haitian children were airlifted to the U.S. even though they were not approved for adoption; an Idaho church group leader was convicted of arranging illegal travel after trying to take other children out of Haiti without government approval.

Such incidents prompted Haitian authorities to sign an international convention setting ethical standards for international adoptions. Regulations were tightened and the number of international adoptions from Haiti fell sharply, from more than 1,300 a year to around 300 or 400.

The child welfare agency — known by its French initials, IBESR — also is trying to beef up oversight of Haiti's roughly 750 orphanages. Most are privately run and financed, operating with little or no government regulation to rein in abuse and neglect.

Thus far, just a few of the orphanages have been shut down, but IBESR officials say about 400 are targeted for closure unless they meet a deadline for swift improvements. Large-scale closures will increase pressure on the government to reunify affected children with their biological parents, and to find foster homes when reunification proves impossible.

"We can't go on placing kids in institutions," said Vanel Benjamin, IBESR's foster-care coordinator. "The answer is family."

UNICEF estimates that 80 to 90 percent of the children in orphanages have one or two living parents. Lumos, the nonprofit founded by Harry Potter author J.K. Rowling, is among several groups seeking to reunite some of those children with their biological families, but the work is slow and the orphanage operators — often recipients of donations from well-meaning foreigners — are not always cooperative.

Orphan children sit in their beds at the Nest of Hope orphanage in Port-au-Prince, Haiti. (AP Photo/Dieu Nalio Chery)

"They don't want to change," said Eugene Guillaume, the Haiti program manager for Lumos. "Orphanages are their business."

Even at competently run orphanages accredited by IBESR, heartbreak is the norm, as Dallye Telemaque Bernard, director of the Nest of Hope home in Port-au-Prince, makes all too clear.

She oversees the care of about 50 children, ranging in ages from 5 months to 13 years. Some are brought in by government social workers, or by police who find them in the streets. But most are dropped off by their impoverished parents.

"Some children come here very sick, from families in very bad economic situations," said Bernard. "Ideally, there should be a program to help the children stay with their own families, but there isn't."

Sections of her orphanage are cheerful, including a courtyard where children take art classes around brightly colored plastic tables. But the upstairs bedrooms, with sets of four or five bunk beds lining the walls, are spartan — including one bedroom set aside for infants.

Bernard said the babies generally arrive from Port-au-Prince's largest shantytown, Cite Soleil, dropped off by heartbroken mothers.

"It's difficult for them," she said. "But they don't have a choice."

Over the years, the goal for most children at the orphanage has been to arrange their adoption by families in Europe or North America. On a bulletin board in the entryway, there are photos of children posing with their adoptive families in France, Canada and elsewhere.

With Haiti now cutting back on such adoptions, Bernard wishes there were ways to reunify more children with their biological families — and she's also intrigued by the new foster-care program.

One recent visitor was a 23-year-old woman from Cite Soleil who had placed her son in the orphanage six years ago, when he was 2. He was adopted by a family in France last year, and the mother, Kenia Tunis, came by to see some photographs of her son sent to Haiti by his new family.

Tunis began to cry as she told her story, glancing at the photographs. Someday, she said, she hoped she might see her son again in person.

Kenia Tunis, 23, cries during a visit to the Nest of Hope orphanage in Port-au-Prince, Haiti. (AP Photo/Dieu Nalio Chery)

Would she have preferred him to be adopted by a Haitian family? She chose not to reply.

The foster-care program began three years ago in Port-au-Prince and the southern city of Les Cayes. This month, at a modest resort hotel, about 100 government officials and social-service providers gathered to extend the program into the northern region around the city of Cap Haitien.

"Today is a day of victory," declared Antonio Jean Louis of Children of the Promise, a Christian-oriented mission. "There's now an option besides international adoption."

Among the attendees was IBESR's Vanel Benjamin, who said the program will keep expanding to other regions of Haiti, with a goal of having 200 foster families accredited by the end of this year.

International adoption "should be the last resort," he said. "Foster care is a better alternative."

In the United States, there's a constant struggle to recruit foster parents even though they're generally paid many hundreds of dollars a month. In Haiti, the plan is to build a

foster care system exclusively with parents willing to take on the task at their own expense.

One of the groups recruiting and training foster parents is Bethany Christian Services, which for decades has been a leading adoption agency in the United States. Recently, it has helped countries such as Ethiopia and Haiti develop their own foster-care systems.

Bethany's recruiting in Haiti focuses on a network of Protestant churches where pastors extol foster-parenting as a Christian act of love.

"People in the churches have responded positively even if they don't have a lot of financial resources," said Vijonet Demero, head of Bethany's Haiti operations. "For them, it's a calling, not a job."

Jeannes Pierre and his wife Nelia have an adult daughter who recently became a physician. Over the years, they have provided a temporary home to other children on an informal basis. Never had they received the type of formal training that was required to become foster parents.

As the foster-care program took shape, some advocates for children expressed concerns related to Haiti's huge population of child domestic workers. UNICEF estimates that roughly 400,000 children — called "restaveks" by many Haitians — live away from their parents in households where they're expected to perform work on a regular basis in return for lodging and food.

Some of these children are treated well and included in the family life of the home; others suffer various forms of abuse, prompting some advocacy groups to depict such arrangements as "child slavery."

Pastor Jeannes Pierre 61, walks with his foster daughter, Franchina 11, in Port-au-Prince, Haiti. (AP Photo/Dieu Nalio Chery)

Aspiring foster parents are screened to ensure they're psychologically and economically capable of caring for foster children without exploiting them. Demero said the foster families recruited by Bethany are visited at least every three months — and in some cases every week — by social workers from Bethany or IBESR.

Terre des Hommes, a Swiss-based nonprofit also working on the foster-care program, said the lack of payment to the foster parents complicates recruitment efforts but serves as a deterrent to families who otherwise might sign up for financial gain.

Even in the absence of regular payments, foster families can be provided with emergency funds to meet medical needs or cover the costs of school uniforms and supplies.

Among the earliest batch of new foster parents were Ezekial Isme, 32, and his wife, Guerna, who heard about the program at their Port-au-Prince church, where Vijnnet Demero is pastor.

“Our hearts were opened,” said Ezekial Isme, who teaches at a church-run school.

Two and a half years ago, when the Ismes took in a girl from a troubled orphanage being closed by the government, they had no children of their own. They now have two sons, 1 and 2 years old, along with Michelene, who’s now 10.

According to Isme, Michelene was 3 when her parents gave her to the orphanage. She was the youngest of her family’s nine children.

When Michelene arrived in her new foster home, she was very withdrawn and had a bothersome skin disease. With attentive care, she’s healthy now, and doing well at school, although still not up to the normal grade level for her age.

The Ismes would be willing to adopt Michelene, but don’t know if or when the government would allow that sometimes difficult process to begin.

“She’s our girl — she feels at home with us,” Isme said. “Our hearts have already adopted her.”

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Colombia’s VP Assures The UN New President Backs Peace Deal (Lederer, AP)

Friday, July 27, 2018

[Associated Press](#)

By Edith M. Lederer

UNITED NATIONS (AP) — Colombia’s outgoing vice president paid tribute to the U.N. Security Council Thursday for its support in building peace in a country ravaged by conflict for five decades and assured the world that the incoming president will work to consolidate peace.

Oscar Naranjo said the November 2016 peace agreement between President Juan Manuel Santos’ government and leftist FARC rebels has not only seen FARC fighters lay down their weapons in “record time” of nine months but the transformation of FARC into a political party that now has seats in Congress.

“There are still challenges ahead,” Naranjo said in an emotional farewell speech from the Santos government to the U.N.’s most powerful body.

But he said: “You can be sure that the incoming government, when the President-elect Ivan Duque comes in — he has said he will continue with this agreement and guarantee that Colombia will continue down a path toward sustainable peace.”

In January 2016, Santos’ government and FARC jointly asked the Security Council to help monitor and verify rebel disarmament should the two sides reach a deal to end their war, which left an estimated 260,000 people dead and displaced millions. It was a rare request for help to the council, which deals with global crises and is often the target of criticism for failing to end conflicts like Syria.

Naranjo said “if there was one unifying factor around peace in Colombia” it is the Security Council which established a political mission in response to the request.

“And we should like to say to our compatriots and to the world as a whole we have no words to thank the unanimous way in which this council has supported the building of peace in our country,” he said.

Among the challenges ahead, Naranjo said, reintegration of FARC rebels into society “is critical,” and Santos is handing a roadmap for the integration process to the next government.

He said the new government also has to extend its authority and transform areas which were the scene of military conflict so they become an integral part of the state which can then protect the communities there.

Without the conflict with FARC, Naranjo said, the new government also has a “unique opportunity” to combat illegal drug trafficking and strengthen action against organized crime. He said many families have expressed a desire to abandon illicit cultivation and substitute legal crops.

Naranjo pointed with “great satisfaction” to the first hearings by the special peace tribunal established to deal with former combatants.

“These hearings are now allowing for a transitional justice system to happen, which will be bringing to justice and punishing those who were involved in any way in this internal armed conflict and who violated laws and neglected human rights,” he said.

U.N. envoy Jean Arnault, who heads the political mission in Colombia, told the council that “time will tell, but the positive response from victims and the recent decision of senior army officers to accept voluntarily the jurisdiction” of the special tribunal “is an indication that the Colombian peace process may well be close to striking the right balance between the demands of peace and justice.”

He urged the international community to maintain support for the tribunal, for the Truth Commission in Colombia and the unit searching for missing persons.

Arnault stressed that the reintegration of FARC members into civilian life "is very much unfinished business."

"To complete the work started by the current government will no doubt require dedication and resources," he said. "But fulfilling the guarantees given to those who have laid down their weapons and undergo now the difficult transition to civilian life is essential for Colombia, and also for Colombia to be a source of motivation for parties to conflicts elsewhere in the world."

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Cabinet Minister, 3 Others Die In Paraguay Plane Crash (AP)

Thursday, July 26, 2018

[Associated Press](#)

ASUNCION, Paraguay (AP) — Paraguay's agriculture minister and three other people have died in the crash of a small plane.

Civil Aeronautics official Ruben Aguilar says the twin-engine Beechcraft Baron went down in a marshy area shortly after taking off Wednesday night from the airport in Ayolas, some 235 miles (380 kilometers) south of the capital, Asuncion.

The dead included Agriculture Minister Luis Gneiting, Vice Minister Vicente Ramirez and the pilot and co-pilot.

Aguilar says investigators will begin trying to determine the cause of the crash and the reason by an emergency beacon failed to activate — a factor that apparently slowed rescue efforts.

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Paraguayan Minister, Deputy Die In Plane Crash: Rescuers (AFP)

Thursday, July 26, 2018

[AFP](#)

Asuncion (AFP) — Paraguay's agriculture minister and a deputy minister were among four people killed in an airplane crash near the Argentine border, rescuers said Thursday.

The twin-engine light aircraft had taken off from the southern fishing town of Ayolas on Wednesday afternoon but crashed soon afterward, just eight kilometers (4 miles) from the airport.

"There are no survivors," Roque Gonzalez, a member of a search and rescue unit, told AFP.

The dead were identified as agriculture minister Luis Gneiting, deputy livestock minister Vicente Ramirez, civil servant Luis Charotti and pilot Gerardo Lopez.

Gneiting was returning to the capital Asuncion, 300 kilometers away, after visiting his terminally ill mother, who died on Thursday just hours after her son.

The cause of the crash was not immediately clear.

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Mexico's AMLO Asks For UN Help To Fight Corruption, Rights Abuses (AFP)

Thursday, July 26, 2018

[AFP](#)

Mexico City (AFP) — Mexico's president-elect Andres Manuel Lopez Obrador on Thursday said he is asking the United Nations for help combatting corruption and human rights abuses.

Lopez Obrador successfully campaigned on a zero tolerance policy towards endemic corruption in Mexico, promising to save millions of dollars in public funds.

"The UN is going to help us, we're going to lean on them because they have" an anti-corruption office, said Lopez Obrador at a press conference.

The president-elect also asked for the UN's assistance in preventing "human rights violations... like the disappearance of the Ayotzinapa youth."

On the night of September 26, 2014, a group of 43 students from a rural teaching school in Ayotzinapa, southern Mexico, disappeared after they were arrested by police in the nearby city of Iguala.

They had been heading to the capital Mexico City to take part in commemorations for a 1968 massacre of students and civilians that left hundreds dead.

Prosecutors said the police handed over the students to drug traffickers who subsequently killed them, burned their bodies and spread their ashes in a river.

But that version of events was questioned by independent expert investigators from the Inter-American Commission on Human Rights, amid speculation that various other government forces were involved.

Lopez Obrador presented former health minister Juan Ramon de la Fuente as his choice for Mexico's ambassador to the UN, an appointment that still needs to be ratified by the Senate.

Lopez Obrador, known by his initials AMLO, is due to take over the reins from President Enrique Pena Nieto on December 1. He was elected president on July 1 with a resounding victory, securing more than 50 percent in the first round.

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Economists Say Currency Reform Is Urgently Needed In Cuba. But It's Expected To Generate Inflation And Layoffs, Which Are Not Politically Feasible During A Period When Voters Will Be Asked To Consider A New Constitution. | Miami Herald (Whitefield, MH)

Thursday, July 26, 2018

[Miami Herald](#)

By Mimi Whitefield

Cuba's looming constitutional referendum and nagging structural economic problems mean it's unlikely the island's leaders will take on the much-needed unification of Cuba's two currencies this year, economists said in Miami.

For years Cuba has been talking about uniting its two competing currencies, the Cuban peso (CUP), which is generally used by the Cuban population, and the convertible peso (CUC), which is used by tourists, foreign companies and some state enterprises and private entrepreneurs.

The CUC is on par with the dollar, while 24 CUPs equal \$1 U.S., but because there is such a huge difference in exchange rates there are expected to be winners and losers when the currency is unified.

While "it will be impossible to achieve significant and sustainable improvement [in the economy] without currency reform," it won't happen this year, said Omar Everleny Pérez, a Cuban economist.

Speaking at the 28th annual meeting of the Association for the Study of the Cuban Economy at the Hilton Miami Downtown Hotel, Pérez said when the government unifies the two currencies and divergent exchange rates, it's expected to lead to higher inflation and hurt inefficient state enterprises that have essentially been subsidized by overly favorable exchange rates, even causing them to fail.

Amid discussion and voting on a new constitution, the government doesn't want skyrocketing prices and widespread layoffs impacting voters, he said. A three-month comment period on a draft of the new constitution begins Aug. 13 and

the referendum is expected to be held late this year or early next year.

In December, Cuban leader Raúl Castro, who has since retired from the presidency, said unification couldn't be delayed much longer.

But it isn't politically feasible to attempt currency unification in the current environment, said Dagoberto Valdés, of the Coexistence Studies Center, an independent think tank in Pinar del Rio, Cuba. "We think it [currency unification] could have a devastating economic impact, the strongest in 60 years of the revolution."

Economists at the ASCE meeting, which concludes Saturday, said that depends on how Cuba implements currency unification and whether it just comes up with a single currency without undertaking needed structural economic reforms.

Luis Luis, a consultant and principal at International Research & Strategy Associates, said it also would be difficult for Cuba to push through currency unification this year because it has very low international reserves. "They don't have the reserves to have a currency that would be stable," he said.

Luis said that 2010, when Cuba still had a huge subsidy from Venezuela and the economy was growing, "would have been a great year to unify the currencies. But they missed their chance."

"You can't talk about Cuba without talking about Venezuela," said Rafael Romeu, president and chief executive of DevTech Systems and a former senior economist at the International Monetary Fund. "The source of foreign transfers, Venezuela, is on the ropes."

Analysts say future subsidies for Cuba may not be sustainable.

"The fiscal balance of Cuba is deteriorating. There is a need to continue financing these yawning deficits, which also doesn't augur well for currency reform," said Romeu. "We see no unification in this environment."

While there would be long-term benefits for Cuba with currency reform, including a more stable climate for foreign investment, "the government fears that short-term costs would be too high to bear politically," said Armando Linde, a retired IMF economist.

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SUB-SAHARAN AFRICA

As A Dam Rises In Ethiopia, Its Manager Is Found Dead (Walsh, Sengupta, Ahmed, NYT)

Friday, July 27, 2018

New York Times

By Declan Walsh, Somini Sengupta And Hadra Ahmed

CAIRO — The manager of a \$4 billion dam under construction on the Blue Nile River in Ethiopia was found shot dead on Thursday, drawing an anguished reaction from Ethiopia's leaders and setting on edge one of Africa's most contentious development projects.

The project manager, Semegnew Bekele, who was overseeing the construction of the Grand Ethiopian Renaissance Dam, was found slumped behind the wheel of his Toyota Land Cruiser in Meskel Square in the capital, Addis Ababa, at 8:30 a.m. He had a gunshot wound to his head, the federal police commissioner, Zeinu Jamal, told reporters.

The police also found a pistol inside the car and were trying to identify its owner, Mr. Jamal said. The police commissioner did not say whether he suspected foul play, fueling speculation that the death was linked to Mr. Semegnew's work.

When completed, the giant Renaissance dam is expected to generate 6,400 megawatts of hydroelectricity that will more than double Ethiopia's current production and potentially allow the country to earn hundreds of millions of dollars in energy export revenues. But the project has met with stiff resistance from Egypt, where many fear it will cut into the country's already strained supply of Nile water.

Mr. Semegnew, 57, a short, loquacious man with a salt-and-pepper beard, was the project's engineer and unofficial ambassador. He explained the dam's benefits to the Ethiopian taxpayers who funded it, and sought to assure nervous Egyptians that it would cause them no harm.

"This is our baby," he told The New York Times in May during a tour of the dam in the Ethiopian highlands, five miles from the border with Sudan. "This is what we are saying. Not just me — all Ethiopians."

His sudden death sent ripples of sorrow across Ethiopia on Thursday. Grief-stricken citizens scuffled with the police as they attempted to lay flowers near the bloodstained vehicle where Mr. Semegnew was found. Prime Minister Abiy Ahmed was "saddened & utterly shocked," his chief of staff, Fitsum Arega, said in a Twitter post.

The Renaissance dam, Africa's largest hydropower project, is a symbol of Ethiopia's economic ambitions. It will cost at least \$4.2 billion to build, officials say, with China separately funding electricity infrastructure projects costing about \$1 billion. But the project has stumbled this year.

Mr. Semegnew was in Addis Ababa on Thursday to give a news conference at a time of growing public unease over delays in the project and concerns about corruption and mismanagement, officials said. He died hours before he was scheduled to speak.

Standing atop the dam in May, Mr. Semegnew offered his usual optimistic assessment of the project, which he said was about two-thirds completed, and he played down the fears of downstream countries, notably Egypt.

The dam had turned Ethiopia into "the power hub of the region, of the continent," he said, and it would be used only to generate electricity, and not for irrigation.

He declined to say why the project's completion date had been repeatedly delayed over the past year. "I cannot comment to you on this," he said.

Those delays, and the dam's generally opaque finances, have become matters of considerable speculation in Ethiopia in recent weeks. Some people who posted messages on social media sites suggested that Mr. Semegnew was killed because he was planning to name corrupt officials who were making money from the project or that Egypt had somehow played a role in his death.

None of the commentators offered evidence to support those conspiracy theories, but they did appear to reflect growing public disquiet about a project that is behind schedule, has consumed huge amounts of taxpayers' money and has increased tensions with Egypt.

An upbeat visit to Cairo by Prime Minister Abiy last month improved that often-tense relationship. The visit was part of Mr. Abiy's dizzying series of reforms, including peace overtures to rival Eritrea, since he came to power in April.

But since then, technical talks on the dam between Egypt, Ethiopia and Sudan have stalled again.

The discovery of Mr. Semegnew's body was the second violent drama of the past month in Meskel Square, perhaps the most famous plaza in Addis Ababa.

At least one person was killed during a rally in the square in June, when an assailant hurled a grenade just minutes after Mr. Abiy delivered his first public speech in the capital.

The grenade fell short of Mr. Abiy and exploded among his supporters, not far from where the Mr. Semegnew's body was found on Thursday. Security officials have not said publicly who was responsible for throwing the grenade, but at least 30 people were arrested.

Declan Walsh reported from Cairo, Somini Sengupta from New York, and Hadra Ahmed from Addis Ababa, Ethiopia.

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Ethiopia's Premier To Woo Diaspora Investors As He Visits U.S. (Gebre, BLOOM)

Thursday, July 26, 2018

Bloomberg News

By Samuel Gebre

Ethiopia's prime minister arrived in the U.S. for meetings with members of its quarter-million-strong diaspora community in a bid to woo investment for Africa's fastest-growing economy.

Abiy Ahmed's first U.S. trip since taking office in April comes as he shakes up orthodoxies at home, promising a multi-party democracy and to privatize state monopolies, while making peace with long-time foe and neighbor Eritrea. He will hold meetings in Washington D.C. with the Ethiopian business community, religious leaders, think tanks and the public until Saturday, before heading to Los Angeles and Minneapolis, according to Ethiopia's embassy.

The embassy said tens of thousands of people are expected to attend public meetings in the three cities. More than a quarter of a million people of Ethiopian descent live in the U.S, according to the Migration Policy Institute, a Washington-based think tank.

Abiy may be hoping to tap into a rich source of foreign exchange for Africa's second-most populous country. Ethiopians abroad sent back some \$4.6 billion last year – about a quarter of the nation's annual foreign-exchange earnings – and this month the government opened accounts for a so-called Diaspora Trust Fund in which overseas communities were invited to donate for development.

Abiy faces the task of bringing an end to several years of sporadic regional protests over alleged land grabs and political neglect that threatened to detail the boom in the state-planned economy. Earlier in July, he said Ethiopia needs \$7.5 billion to finish current infrastructure projects and is also battling foreign-exchange shortages.

Zemedeneh Negatu, a U.S.-based investor, said last week that the diaspora now has ways to partake in opportunities in Ethiopia, following pledges to partly privatize companies such as Ethiopian Airlines Enterprise and Ethio Telecom Corp.

"Ethiopia is the fastest-growing economy in Africa," he said at an investment forum in Washington D.C. "If that is the kind of trajectory we are looking at then we need to be prepared as the diaspora to take advantage of that."

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Construction Manager Of Ethiopia's Nile River Dam Found Dead (Meseret, AP)

Thursday, July 26, 2018

Associated Press

By Elias Meseret

ADDIS ABABA, Ethiopia (AP) — The construction manager of a controversial dam being built on the Nile River in Ethiopia has been shot dead, police said Thursday, while the country's prime minister said he was "utterly shocked."

Semegnew Bekele was discovered inside his car at Meskel Square in the capital, Addis Ababa, state broadcaster ETV reported.

"Engineer Semegnew died due to gunshot wounds at the back of the neck," the chief of the federal police, Zeynu Jemal, told journalists. "A pistol has also been discovered inside the car and we are trying to determine to whom it belongs."

Semegnew had downplayed Egypt's fear that the massive Grand Ethiopian Renaissance Dam will reduce that country's share of Nile River water. Ethiopia maintains the dam is needed for development, pointing out that 60 million citizens don't have access to electricity.

The dam is now more than 63 percent complete. Once finished, it will generate about 6,400 megawatts, more than doubling Ethiopia's current production of 4,000 megawatts.

Ethiopia's new Prime Minister Abiy Ahmed was "saddened & utterly shocked" to hear of Semegnew's death, chief of staff Fitsum Arega said on Twitter.

Demonstrators rallied at Meskel Square, calling for the arrest of the perpetrators, while many Ethiopians described Semegnew as a martyr.

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Long Separated By War, Ethiopians And Eritreans Reunite (Stein, AFP)

Friday, July 27, 2018

AFP

By Chris Stein

Asmara (Eritrea) (AFP) – When Jerusalem Aregay fled Eritrea in 2001, she was sure she would never again see her friends, her uncles and the aunt who had raised her like a daughter.

Yet escape was her only option.

Eritrea was locked in a tense standoff with Ethiopia. And after two years of fighting on their border, the people of the capital Asmara had grown hostile to Ethiopians like her.

So she fled south to a country that was technically her own but that she had never called home.

She believed she was saying goodbye forever to everything and everyone in Eritrea that she had loved.

Seventeen years later, she stepped off an Ethiopian Airlines flight in Asmara and into the arms of her aunt.

“We are so happy. Thank God!” Jerusalem told AFP shortly after she was reunited with her relative Tinseu Nigusse.

The extraordinary reunion was made possible by the stunning thaw in relations between the two countries who have called off their decades-long conflict.

The resumption of flights between Asmara and the Ethiopian capital Addis Ababa has brought families separated by the war back together in emotional scenes.

Day after day at Asmara’s airport, a crowd has gathered, waiting for relatives that have not been seen in years. Similar scenes have played out at Addis Ababa’s airport.

At the sight of their loved ones, men and women dressed in their finest suits and dresses have rushed forward, sobbing and embracing family members separated by war.

For some, the reunions came just in time.

“I’m so happy to see her. It’s been 20 years,” Girmay Solomon said after he was reunited with his 87-year-old mother Lemlem Kahsai.

– ‘We didn’t have any space to live’ –

Girmay, an Ethiopian, had only met his frail mother in Khartoum once since they were separated – but the rapprochement has brought them together again, perhaps for the final time.

“I’ll take him to Mareba,” said Lemlem of her village in the country’s south.

Eritreans remained closely linked to Ethiopia even after they voted in 1993 to become an independent country following a decades-long liberation struggle.

But after a border dispute erupted into two years of devastating war in 1998, the countries were driven apart.

The estrangement worsened after Ethiopia rejected a 2002 United Nations ruling meant to demarcate the frontier with Eritrea.

During pauses in the brutal trench warfare, both countries deported thousands of each others’ citizens.

Eritrea’s years as a province of Ethiopia meant many families had members of both nationalities and the deportations tore households apart.

Born in Eritrea, Jerusalem was an Ethiopian citizen through her parents, but after their death her aunt Tinseu, an Eritrean, raised her.

By 2001, Asmara was a hostile place for people like her.

A peace treaty had ended the border fighting a year earlier, but Ethiopians and Eritreans had stopped socialising at school, she said.

Every six months, the Eritrean government would force Ethiopians who had not been deported to pay a steep fee to renew their residency permits.

“We didn’t have any space to live,” she said.

– ‘It was so difficult’ –

The decision to leave was not easy, but eventually, it became the only choice.

With the help of the UN, Jerusalem crossed the border with her little sister Lewan Aregay and reached a refugee camp in northern Ethiopia.

Two weeks later, she was in Addis Ababa, where she could not even speak the national language Amharic.

“It was so difficult for us. We didn’t know the environment, we didn’t know the society,” said Jerusalem, who eventually found work as a technician at a television station.

For years, little changed along the tense frontier between Ethiopia and Eritrea. Troops remained in their trenches and separated families remained apart.

Jerusalem stayed in touch with her aunt using social media.

Some relatives met up in Dubai or the Sudanese capital Khartoum, countries that had flights to both Eritrea and Ethiopia.

And then, on April 2, 2018, everything changed. Abiy Ahmed took office as Ethiopia’s prime minister after the surprise resignation of Hailemariam Desalegn.

Two months after coming to power, Abiy announced his government would respect the UN’s border demarcation.

Within weeks, he travelled to Asmara and welcomed Eritrean President Isaias Afwerki to Addis Ababa, paving the way for the end of the conflict. The resumption of direct flights followed, and with it the opportunity for Jerusalem to reunite with the people she loved.

“I didn’t think I’d see my aunt, my uncles and my friends again,” Jerusalem said, smiling beside her aunt in a modest Asmara villa where they sat together, making up for lost time.

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\$40,000 A Car For Lawmakers Fuels Ire In War-Hit South Sudan (Francis, BLOOM)

Thursday, July 26, 2018

Bloomberg News

By Okech Francis

A civil society group urged South Sudan's parliament to explain about \$18 million in bonuses paid to lawmakers that the government of the war-torn, poverty-stricken country described as loans to buy cars.

Under the plan, 452 members of both houses of parliament are receiving \$40,000 each for vehicles, a step presidential spokesman Ateny Wek Ateny said was regular and covered by the 2017-18 budget. South Sudan is mired in an almost five-year civil war that's caused an economic crisis and forced parts of the country to the verge of famine.

The government's decision "is a disturbing development at the stage where civil servants and members of law enforcement agencies are going two months without salaries," said Edmund Yakani, executive director of the Community Empowerment for Progress Organization, based in the capital, Juba.

News of the payment comes as warring parties try to end a conflict that began in December 2013 and has claimed tens of thousands of lives. Under a new peace deal, President Salva Kiir and the main rebel leader would reunite in an expanded government and parliament. While the talks were under way, lawmakers voted for Kiir's term to be extended three years.

Ateny said that lawmakers "should not be seen struggling and risking their lives" moving around, pointing to similar loans he said were given in 2005, before the country's independence from Sudan. Lawmakers had been coming to work by motorcycle taxi, "so the government thought it wise to give the loan," he said Thursday by phone. He declined to comment on unpaid salaries.

Yakani said the average South Sudanese worker would take years to earn the kind of sums given. "We are demanding the leadership of the parliament to inform the citizens of what is the real purpose of this cash allocation," he said by email.

Santino Riak, a teacher in Juba, said lawmakers don't deserve to be paid such an amount when the government is struggling to deliver services and pay salaries.

"They should first serve us before serving themselves," he said.

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Zimbabwe Opposition Goes Where Followers Once Feared Death (Cohen, Latham, BLOOM)

Wednesday, July 25, 2018

Bloomberg News

By Michael Cohen And Brian Latham

Zimbabwe's main opposition party has been able to campaign in what were once no-go rural areas for the first time in almost two decades, bolstering its prospects of winning next week's election.

The change, following the end of Robert Mugabe's 37-year rule, has let the traditionally urban-based Movement for Democratic Change draw big crowds to rallies in rural districts, where more than half the southern African nation's estimated 13 million people live. It's a spin-off from new President Emmerson Mnangagwa's pledge to hold a free election — a key part of a drive to attract investment and rebuild the shattered economy.

"People are interested to see these guys because they've never seen them before," small-scale farmer Jeremiah Mahacha, 56, said by phone from Gokwe in central Zimbabwe. "Wearing their red T-shirts would mean a beating or death in the old days, but now we see them and want to hear what they're saying with our own ears."

The MDC was started by labor and civil-rights leaders in 1999 as opposition grew to Mugabe's increasingly authoritarian leadership and mismanagement of the economy. The party won its first political battle in a 2000 referendum, when it defeated constitutional changes that could have entrenched Mugabe's rule. Government-backed militants then seized thousands of white-owned farms and about 3 million people, mainly farm workers of Malawian, Zambian and Mozambican descent, were evicted, according to the United Nations. Fears Unfounded

The security forces and youths from the ruling Zimbabwe African National Union-Patriotic Front confined opposition campaigns to the main towns in the past three disputed elections, frequently beating and arresting MDC activists and banning and disrupting their rallies and meetings. Violence peaked in 2008, when the opposition says about 200 of its supporters were murdered and the homes of thousands more were attacked.

Farai Mondizvo, 67, a subsistence farmer from Gutu, south of the capital, Harare, said residents' fears that they would be attacked if they attended a MDC rally had proved unfounded — although not everyone is convinced they should vote for them.

"No one was beaten, nothing," he said by phone. "Even the police just stood and watched. Of course, what they are promising is exactly the same as Zanu-PF is promising, which is what we've been told for more than 30 years without

anything happening, so politics seems to the same either way."Soft Coup

Mugabe's rule ended in November, when he unsuccessfully tried to anoint his wife, Grace, as his successor and the ruling party forced him to quit after the military briefly seized control of the country. Political violence has largely ceased since Mnangagwa, a former deputy president, justice minister and spy chief took office.

About 5.6 million people have registered to vote for a new president, lawmakers and local government representatives on July 30. The front-runners of the 23 candidates in the presidential contest are Mnangagwa, 75, and the MDC's Nelson Chamisa, a 40-year-old lawyer and church pastor. If no candidate gets more than half the vote, there will be run-off election on Sept. 8.

Read more about the two leading presidential contenders.

Despite the MDC being able to campaign more freely, only 30 percent of rural respondents to a survey by research company Afrobarometer said they would vote for it, while 48 percent supported the ruling party. In the urban areas, the MDC had 63 percent backing and Zanu-PF 37 percent, the survey found. The fact that the rural population is considerably bigger than the urban one gives the ruling party "a built-in electoral advantage," Afrobarometer said.

Still, the absence of violence, the opposition's visible campaign and the novelty of potentially relegating Zanu-PF to the opposition benches for the first time since white-minority rule ended in 1980 could sway some undecided voters. New, Refreshing

In Chipinge, on Zimbabwe's eastern border with Mozambique, the MDC's campaign had gone down well with residents, according to Ambitious Tererai, 44, who grows coffee in the area.

"Seeing them and holding rallies, that's new. Before they could not reach here," he said. "It's refreshing."

Zimbabwe's economic travails – rampant unemployment, chronic cash shortages and crumbling infrastructure – could also spark an anti-government backlash in rural areas, where poverty is worse and state services more deficient than in the towns.

"Times are harsh," said Mahacha, the farmer from Gokwe. "There's no money in the rural areas and most of us farmers are just subsisting. We are only just surviving."

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Zimbabwe Election Seen As Critical Test For Nation Post-Mugabe (Foarde, WT)

Thursday, July 26, 2018

Washington Times

By Connor Foarde

When voters in Zimbabwe head to the polls for Monday's general election, they will get a ballot that for the first time in two decades won't have the name of ousted President Robert Mugabe on it. But many of the problems that built up in Mr. Mugabe's nearly four decades in power will still have to be faced.

There will also be a level of suspense about the outcome that was never the case under the old regime.

Almost eight months after a soft coup unseated the authoritarian 94-year-old Mr. Mugabe, his former aide and successor, incumbent President Emmerson Mnangagwa finds himself in a tight race against Nelson Chamisa of the opposition Movement for Democratic Change (MDC).

Mr. Mnangagwa, known as "the Crocodile," is the former protege of Mr. Mugabe and served with as vice president in 2014 until he lost out in a power struggle shortly before Mr. Mugabe was forced from power last year.

Having long been implicated in the human rights abuses and economic decline that occurred under Mr. Mugabe's reign, Mr. Mnangagwa now promises to respect civil liberties while revitalizing the devastated economy by attracting foreign investors.

Sunday's vote is seen as a critical test of the new administration in Zimbabwe, and the ruling ZANU-PF party. A free and fair vote will be critical to attracting new investment and ending Mugabe-era sanctions

"That verdict would be the gateway to a successful recovery from Zimbabwe's syndrome of crises. It is absolutely critical," Zimbabwean political analyst Eldred Masunungure told the Reuters news agency.

Mr. Chamisa, nearly four decades younger than the 75-year-old president, has also had an extensive career in Zimbabwean politics. The charismatic pastor became a member of Parliament 15 years ago at the age of 25, and would be the youngest leader in Zimbabwe's history if he wins.

He has expressed skepticism about the legitimacy of the upcoming election. Mr. Chamisa told the news website Independent Online this week that the vote is "on path to be determined as a fraud election," adding that the Zimbabwe Election Commission was "biased and has lost the confidence of the people of Zimbabwe."

The race could be close: An Afrobarometer poll released last Friday showed 40 percent of voters supporting Mr. Mnangagwa and 37 percent for Mr. Chamisa.

With international observers permitted in the country for the first time since 2002, the election will be a test of post-Mugabe Zimbabwe's capability of holding credible elections.

"These elections will be key for the future of Zimbabwe. The future president, parliament and local government councils will have the responsibility of steering the transition process in the country," Federica Mogherini, the European Union's point woman on foreign affairs, said in a statement.

Economic reform will be a top priority for Zimbabwe's next leader. The country has suffered since the botched policy by the Mugabe government in 2000 to encourage the seizure of productive white-owned farms by poor black Zimbabweans. Meant to address inequalities dating back to the colonial era, the policy instead resulted in stark production and productivity declines.

Since taking office last year, Mr. Mnangagwa has rolled back industry regulations in hopes of attracting foreign investors to the country and acknowledged that the Mugabe-era land reform policy did more harm than good.

"The critical thing is that during land reform, productivity collapsed totally, we moved from self-sufficiency to an insecure nation," Mr. Mnangagwa told The Daily News last week.

Mr. Chamisa has told voters that any changes to the land reform policy would not displace black farmers who acquired land, but would also take into account the plight of the dispossessed white farmers.

"We are in agreement that skilled white farmers must be put back to work — but they must be allocated available land without reversing the land reform," Mr. Chamisa tweeted last month.

Despite a wave of optimism after Mr. Mugabe was driven from power, Mr. Mnangagwa has received mixed reviews. Last month, the president narrowly escaped injury after a grenade exploded on stage at a campaign rally in Bulawayo. Two were killed in the attack, which Mr. Mnangagwa called a "cowardly act" perpetrated by opposition sympathizers.

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Uganda Court Clears Way For Museveni To Run For Sixth Term (AFP)

Thursday, July 26, 2018

[AFP](#)

Mbale (Uganda) (AFP) – A court in Uganda cleared the way for President Yoweri Museveni, 73, to run for a sixth term when it upheld on Thursday a constitutional change that scrapped presidential age limits.

Previously the law required presidential contenders to be under the age of 75 and would have blocked Museveni, president since 1986, from seeking re-election in polls due in 2021.

But a bill removing the limit was introduced in parliament in September and signed into law in December, sparking demonstrations and outcry from the opposition which accuses Museveni of a power grab.

A group of opposition figures brought the judicial review heard by judges in a marathon session.

A majority of the constitutional court judges, sitting in the remote city of Mbale some 225 kilometres (140 miles) east of the capital Kampala, ruled in favour of lifting the age cap for presidential contenders.

But they struck down lawmakers' efforts to extend their terms of office from five to seven years which would have pushed elections back to 2023, with one judge describing their effort as "selfish".

The judges also decided that an attempt to reintroduce presidential term limits – scrapped with the reintroduction of multi-party politics in 2005 when the constitution was last amended – breached parliamentary procedure. They ruled the bid invalid, paving the way for a Museveni life presidency.

Museveni, who seized power at the head of a rebel army in 1986, once said leaders who "overstayed" were the root of Africa's problems.

However while running for a fifth term in 2016, he said it was not the right time for him to leave as he still had work to do.

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US Pressures Kabila To Step Aside In DR Congo Vote (AFP)

Thursday, July 26, 2018

[AFP](#)

United Nations (United States) (AFP) – With only five months to go before elections in the Democratic Republic of Congo, the United States on Thursday urged President Joseph Kabila to quickly declare that he will not seek re-election.

The vote is to take place two years later than originally scheduled, and after dozens have died in protests against Kabila who has been in power since 2001.

Addressing the UN Security Council, US Deputy Ambassador Jonathan Cohen said "the time for posturing is over" and that Kabila must now make clear his intentions for the December 23 vote.

"We expect President Kabila to abide by the DRC constitution and the December 2016 agreement. He is not eligible under Congolese law to seek a third term," Cohen said.

France and Britain have previously also called for him to clearly state that he will step aside and not run in the election.

Kabila had been expected to announce whether he planned to run in an address to parliament last week, but he kept the world guessing about his intentions.

On that same day, the Security Council issued a joint statement with the African Union's Peace and Security Council to call for a "peaceful and democratic transfer of power" following the December vote.

The DRC has never known a peaceful transition of power since independence from Belgium in 1960.

Candidates for the presidency must declare their bids by August 8.

The United States renewed criticism of the DR Congo's plan to use electronic voting in the polls, saying the voting machines could undermine the credibility of the elections.

The election commission "must take steps to ensure voters can cast their votes via a mechanism that is tested, trusted, and guarantees secrecy of the vote — namely paper ballots," said Cohen.

The elections have come under intense scrutiny at the Security Council, which is planning to pay a visit to the DR Congo later this year, possibly in October.

UN Secretary-General Antonio Guterres had planned to travel to Kinshasa along with African Union Commission chairman Moussa Faki this month but that visit was postponed, at Kabila's request.

Congolese Ambassador Ignace Gata Mavita urged world powers to support elections in his country "through positive actions" and complained of "interference from all sides".

There are fears that the vast mineral-rich country could slide into all-out violence as it heads towards the elections.

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Mali Holds Key Polls Overshadowed By Jihadist Violence (Siuberski, AFP)

Friday, July 27, 2018

AFP

By Serge Daniel Et Philippe Siuberski

Bamako (AFP) – Mali holds crucial polls on Sunday with President Ibrahim Boubacar Keita seeking re-election in a country reeling from jihadist violence and ethnic attacks.

The international community hopes the poll will strengthen a 2015 accord that Mali, a linchpin state in the troubled Sahel region, sees as its cornerstone for peace.

But violence has peppered the election, with the final days of campaigning marred by an attack on a candidate's convoy and renewed killings of civilians.

Despite the peace deal, which gathers the government, government-allied groups and former Tuareg rebels, a state of emergency remains in force and heads into its fourth year in November.

Jihadist violence, meanwhile, has spread from northern Mali to the centre and south and spilled into neighbouring Burkina Faso and Niger, often exacerbating communal conflicts.

– 'No more war-mongering' –

Twenty-four candidates are in the race for the presidency, and over eight million people are eligible to vote.

Keita, elected in 2013, is accused by his opponents, including several former ministers, of poor governance and security failures. Nearly 300 civilians have died in ethnic clashes this year alone.

On Wednesday, at least three Fulani civilians were killed in central Mali in an attack by suspected traditional hunters, according to civil society and security sources.

The Fulani community regularly denounces abuses against them by Bambara and Dogon farmers in the fight against jihadists, accusing authorities of ignoring or even taking part in them.

Speaking to journalists on Tuesday, Keita, 73, defended his record and branded the attacks as "pockets of violence and remnants of terrorism".

"There's no more war-mongering in Mali today," Keita said.

He acknowledged that the violence had "metastasised to central Mali", but said the state was making a "colossal financial effort" to combat it.

– Rivals –

Keita's challengers are headed by Soumaila Cisse, a former finance and economy minister, who lost by a large margin in the second round of the 2013 election.

Others are Modibo Kone, a rural development expert at the West African Development Bank, and Hamadoun Toure, who runs the "Smart Africa" initiative to drive development on the continent via technology.

Another candidate, businessman Aliou Boubacar Diallo, said IBK had "failed miserably". Diallo's convoy was attacked by armed assailants while he was campaigning.

“Everywhere we have been, it is this insecurity which tops Malians’ concerns,” Diallo said.

Other contenders include astrophysicist and former prime minister Cheick Modibo Diarra. There is only one female candidate – Djeneba Ndiaye, a 55-year-old businesswoman.

– Fraud claims –

Amid concerns that the vote could not be held in some restive parts of the country, over 30,000 security personnel have been commandeered to ensure security.

In the north, where the state is largely absent, armed groups who signed the peace agreement have also been roped in.

The campaign unfolded amid tight security and marked by a controversy over the electoral roll – with the opposition warning of possible fraud.

Cisse’s team claimed there were two electoral lists and hundreds of fake polling stations listed.

The European Union is expected to deploy around 100 observers on Sunday. Its chief observer, Italian Euro-MP Cecile Kyenge, called on Wednesday for “more transparency” and access for all observers, including 3,000 Malians.

Turnout is traditionally low in Mali during the first round of voting, hovering around 50 percent.

If Keita – widely known as IBK – or any of his contenders fail to secure more than half of the ballots, a second round will take place on August 12.

The first results are expected within 48 hours of the vote, with official results following on August 3 at the latest.

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Mali: Jihadist Hotbed In Sahel (AFP)

Friday, July 27, 2018

AFP

Bamako (AFP) – The largely desert Western African nation of Mali is one of the world’s poorest countries, plagued by jihadist attacks.

Ahead of presidential elections on July 29, here is some background.

– Sahel, Sahara –

Hot, dry and flat, Mali is in the semi-arid Sahel belt, its north jutting well into the Sahara Desert.

It is large and landlocked with most of its sparse population of nearly 18 million (World Bank 2016) in the south where the Niger River flows.

The Muslim-majority, French-speaking nation – independent from France since 1960 – is home to around 20 ethnic groups.

After coups and coup attempts, Alpha Oumar Konare in 1992 became Mali’s first democratically elected president, stepping down in 2002.

The current president, Ibrahim Boubacar Keita, was elected in 2013.

– Rebellions, jihadists –

The nomadic Tuareg people of the Sahara have revolted for decades against the domination of black populations in the south.

Their 1990-1994 rebellion left more than 1,000 dead before a peace treaty to end their struggle for self-rule.

But in 2006 several hundred former rebels, many of whom had been integrated into the army, returned to the bush to lead a campaign of attacks and hostage-takings, until a ceasefire in 2009.

A new Tuareg rebellion sprung up in 2011 and president Amadou Toumani Toure was ousted in 2012 by soldiers angry at his government’s “inability” to put down the insurrection.

The conflict was hijacked by Al-Qaeda-linked groups, who overran much of northern Mali.

– France at the forefront –

France launched ongoing military operations in January 2013 that partially ousted the extremists. Months later they were joined by a UN peacekeeping force, MINUSMA, which numbers around 15,000.

A new peace accord was reached with the Tuareg-led rebel alliance in 2015 but entire areas remain outside the control of Malian and foreign forces.

The violence has since spread into central Mali, fuelling pre-existing communal conflicts. It has also spilled into neighbouring Burkina Faso and Niger.

This prompted the launch in 2017 by the G5 Sahel regional grouping (Burkina Faso, Chad, Mali, Mauritania and Niger) of a joint anti-jihadist force, designed to operate primarily alongside France’s 4,000 troops and the UN in the troubled “tri-border” area where Mali, Niger and Burkina Faso meet.

The G5 force aims to have a total of 5,000 troops but has faced funding problems and lack of equipment and has had little impact in the fight against jihadists so far.

– Poverty, cotton producer –

Population increases and drought have led to food shortages, poverty and instability, the World Bank says, even though Mali has recorded growth of more than five percent for several years.

Unemployment is high and nearly 50 percent of the population live on less than \$1.90 or less a day, according to the United Nations.

The country was 13 from last on the 2016 UN Human Development Index that compares life expectancy, education and standard of living in 188 countries.

Life expectancy is 58 (World Bank) while only less than a third of over 15s can read and write, according to national statistics.

With a little-diversified economy, the country returned in 2017-2018 as Africa's main cotton producer with 700,000 tonnes. Another notable production is cashew nuts.

– Fabled Timbuktu –

The northern desert city of Timbuktu is an ancient Islamic centre of learning celebrated for its tens of thousands of manuscripts some from the 12th century.

In 2012 Al-Qaeda-linked militants destroyed 14 of its mausoleums that dated back to its golden age in the 15th and 16th centuries. They were restored with the help of UNESCO, which lists the city as a site of world heritage.

Many African music legends come from Mali, such as Salif Keita, Rokia Traore and the duo Amadou and Mariam, as do world-renowned photographers like Seydou Keita and Malick Sidibe.

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NETWORK TV NEWS COVERAGE

ABC: Wildfires. ABC World News Tonight (7/26, lead story, 2:30, Muir, 7.86M) reported, "The tornadoes touching down in the northeast now confirmed. And the fire exploding in size outside Los Angeles tonight. It was a brush fire that was intentionally set, now a massive wildfire tonight in the mountains east of LA, several homes already destroyed. Thousands are now under mandatory evacuation orders tonight. And there are fast-moving developments in the arson investigation. ABC's Will Carr leading us off, he's on the scene of the Cranston Fire in Mountain Center, California." ABC (Carr) added, "Tonight, with nearly 70 large, out of control wildfires burning across the western United States." **Unidentified Speaker:** "It's just a massive plume of smoke." Carr: "California's governor declaring that state of emergency for two California counties. The Cranston Fire exploding in the last 24 hours, forcing thousands to evacuate. This fire has

raced down the hillside behind me. It's being fueled by this bone dry brush. And these scorching temperatures. You can hear a tree going up behind me. It is 110 degrees out right now, it's not showing any signs of letting up. The fire roaring through this lumberyard, leaving a hellish snapshot straight out of Armageddon. This is one of the most intense feelings of heat that I've ever felt. It's easily burning over 1,000 degrees right here. And at least five homes destroyed so far. 4,700 acres now charred. The fire five percent contained." **Unidentified Speaker:** "We were so afraid this was going to happen." Carr: "Authorities say the fire was deliberately set, arresting 32-year-old Brandon McGlover overnight. He's now charged with five counts of arson." **Captain Scott Visyak,** CAL Fire: "And I'm glad they caught him when he did, because he had intentions to keep going." Carr: "Residents like Hayliee Brooks questioning why someone would want to create this trail of destruction." **Hayliee Brooks,** Resident: "Why would you do that? Why would you put so many people at risk? There are so many homes burned down." Carr: "The Cranston Fire now one of six burning in California. The Carr Fire near Redding now 20,000 acres. And near Yosemite, the Ferguson Fire charring more than 43,000 acres. Parts of that park still closed. Firefighters across the region battling fierce flames and scorching heat." Muir: "Will Carr back on the scene for us live tonight from mountain center. The charred scene right there behind you, will. And you reported there that this was deliberately set. You've learned the almost unbelievable way they caught their suspect?" Carr: "That's right, David. Witnesses tell us they saw this suspect driving across this area, tossing flares out of his window. They called the police and that led to the arrest. And with these conditions, mother nature really doesn't need any help creating devastation like this."

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ABC: Severe Weather. ABC World News Tonight (7/26, story 2, 1:05, Muir, 7.86M) reported, "We're also learning more tonight about tornadoes touching down here in the northeast, and with force. Two EF-1 tornadoes in western Massachusetts bringing one 100-mile-an-hour winds, leaving a path of destruction in Upton, Massachusetts. Powerful flood waters buckling and destroying the asphalt in central Pennsylvania. The Susquehanna River still under flood warnings after a foot of rain. Rob Marciano in Easton, Pennsylvania, with the Lehigh River raging behind you." ABC (Marciano) added, "It is rushing violently into the Delaware River, which is still rising tonight. Thankfully, today was a dry day. But tomorrow, more rain in the forecast and again next week. Let's time it out. Storms are going to fire around 3:00, 4:00 in the flood zone and pushing to the I-95 corridor, Baltimore, Philly, DC and New York around 8:00, 9:00. Some of these could be rough again like they were last night. We

have to look out for that. And we have a severe watch out for the high plains and likely there again tomorrow for severe storms. And the heat today peaking in the west, but it only cools by a few degrees tomorrow. Advisories and warnings remain up where those wildfires burn hot tonight. David?"

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ABC: Facebook-Stock Drops. ABC World News Tonight (7/26, story 3, 2:00, Muir, 7.86M) reported, "The other major headline tonight involves Facebook. A disastrous day for the social media giant. The biggest single-day drop for a US company ever, losing nearly \$100 billion in just one day. And look at the graph tonight. The stock holding study for four days there and just look at the drop today, plunging 19 percent. ABC's Kayna Whitworth on what this means." ABC (Whitworth) added, "Tonight, investors fleeing Facebook. The world's largest social media platform, losing close to \$100 billion in stock value just today alone." Daniel Ives, GBH Insights: "You're seeing users spending less time on the platform, that means less advertising revenues, and ultimately, that's not something investors want to see." Whitworth: "The losses stemming from a weaker than expected earnings report. And follows a tumultuous period for the company that included the discovery of huge numbers of fake Facebook pages linked to Russians during the 2016 election. Fake ads like this one of a popular cartoon saying, 'Dora The Explorer knows how easy it is to cross the border. We need to stop this madness. We need Trump.' And then word that Cambridge Analytica, a firm hired by the 2016 Trump campaign, may have improperly obtained information from up to 87 million users. All this prompting Zuckerberg to go to Capitol Hill and apologize." Mark Zuckerberg, CEO Facebook: "It was my mistake, and I'm sorry." Muir: "Kayna Whitworth with us live tonight. We watched that earlier this year, the data used to target users during the campaign. Zuckerberg lost billions himself today, Kayna?" Whitworth: "David, he lost more than \$15 billion, but he also says that Facebook's lower than expected earnings are due in part to the company reinvesting much of their money in security for the site. This, as their number of users is dropping significantly. David?"

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ABC: Trump-Tariffs-Farmer Bailout. ABC World News Tonight (7/26, story 4, 3:35, Moran, 7.86M) reported, "We're going to turn now to the President tonight, asking American farmers to be patient, and just today, saying to them, you're not going to be too angry with Trump. The President was in Iowa today, we have heard from farmers in that state. We'll hear from farmers in Wisconsin tonight, who say they are feeling the effects of this trade war, ignited by the President. They say their bills are already mounting. But

the President is hoping for patience from many farmers who he counted on to win. ABC's Terry Moran again tonight." ABC (Moran) added, "In Dubuque County, Iowa, President Trump came bearing gifts for some of his loyal supporters, now getting anxious about his trade agenda." President Donald Trump: "I have to say, because we have a lot of farmers in this place, we had this hat made up, the John Deere colors, make our farmers great again." Moran: "And it wasn't just the hats. The President also offering about acknowledgement that his trade war with China is clobbering farmers here." Trump: "China wants to attack the farm belt because they know those – the farmers love me, they voted for me, we won every one of the states. They're not going to win, just so you understand, we have all the cards, we're going to win." Moran: "The upper Midwest, a crucial part of the President's base, but now, he's faltering. Look at neighboring Wisconsin. Just 31 percent say he should be re-elected. And 63 percent say he shouldn't. In other mid-western states, similar numbers. Most farmers in this region supportive still, but worried. Like Mark Recker, who grows corn and soybeans." Mark Recker, Farmer: "Farmers have been willing to give the President latitude as far as how he handles trade, but now it's hitting close to home. The reality is here. Lower prices. We're going into the fall with a larger crop, it looks like, and we're going to have questions about, how are we – what are our opportunities for profitability coming from now?" Moran: "The President tweeted famously back in March, 'Trade wars are good and easy to win.' But they're not. So to shore up the farmers, the Trump administration has announced a \$12 billion bailout, but don't call it a bailout. Steve Mnuchin hates that word." Steve Mnuchin, Treasury Secretary: "We're not bailing out any farmers. That's a ridiculous comment. That's not a bailout." Moran: "Whatever you call it, farmers aren't happy." Recker: "As farmers, I can tell you, we would rather get our income from the market. It's a handout that we really don't want." Moran: "Today, the President claimed he'd found a fix. Trade with Europe, part of the agreement he announced in the rose garden yesterday." Trump: "Basically, we opened up Europe, and that's going to be a great thing for Europe and really going to be a great thing for us and it's going to be a really great thing for our farmers." Moran: "But already today, Europeans are backing away from the idea of imports American agricultural products, especially if they're genetically modified, cost more because of the shipping distances or use chemicals banned in Europe. And in Wisconsin, where Michael Slattery farms soybeans, there's fear the trade war will do lasting damage." Michael Slattery, Farmer: "For me, this is a great loss. Not just because the price has dropped, but our future markets will be taken away from us." Moran: "He says farmers are the dupes in this whole process." Muir: "American farmers are going to be watching this very closely. They're feeling the effects first.

Terry Moran joins us live from the White House again tonight. And Terry, President Trump says the US will win this trade war, but some of the farmers say the pain could be permanent?" Moran: "That's right, David. The concern is that it's taken years, sometimes decades for American farmers and producers to build the business relationships, earn the market share and now that they're out of that market, competitors from other countries are rushing in to steal all that. The longer this trade war goes on, the risk of longer-term damage is greater."

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ABC: CFO Of Trump Organization Subpoenaed. [ABC World News Tonight](#) (7/26, story 5, 2:05, Muir, 7.86M) reported, "And there was another major development involving the President today and his company. Tonight, the CFO of the Trump organization, who has handled the family's finances for decades, has now been subpoenaed in the Michael Cohen case. Here's ABC's chief justice correspondent Pierre Thomas tonight." ABC (Thomas) added, "He is perhaps the most powerful person in the Trump organization not named Trump. The company's chief financial officer, Allen Weisselberg. And tonight, word he has been subpoenaed by federal prosecutors. Weisselberg at Trump's side for decades, even doing a cameo on 'The Apprentice.' President Donald Trump: "Replacing George this week is my chief financial officer Allen Weisselberg. And you think George is tough? Wait until you see Allen." Thomas: "He currently runs the family's company, along with the President's sons Eric and Don Jr. And he's now caught up in the wide-ranging financial investigation of former Trump fixer and personal attorney, Michael Cohen. Prosecutors in New York also examining whether Cohen broke laws trying to quiet women who claimed to have had affairs with Trump. Weisselberg front and center in a newly released secret recording where you can hear Trump and Cohen apparently discussing a plan to buy the rights to the story of a playboy playmate who says she had a relationship with Trump. On the recording, Cohen proposes creating a shell company to do the deal." Michael Cohen, Former Trump Attorney: "And I've spoken to Allen Weisselberg about how to set the whole thing up with funding." Trump: "So, what do we have to pay for this one, 150?" Cohen: "Yes." Thomas: "Prosecutors now using a federal grand jury to question Weisselberg, the President's loyal long-time deputy who knows all there is to know about the Trump family business." Muir: "All right, so, let's get to Pierre Thomas, live again tonight from Washington. And Pierre, we know that prosecutors are listening carefully to that recorded conversation with the President, in which Michael Cohen actually mentions that CFO, Allen Weisselberg, in connection with the hush money payment?" Thomas: "That's right, David. That tape is of high

interest and they just got access to it this week. Weisselberg is a key witness and a gateway to knowing more about the President's finances. Trump wrote in one of his books, 'Allen has been with me for three years and he knows how to get things done.'"

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ABC: Immigration-Reuniting Families. [ABC World News Tonight](#) (7/26, story 6, 1:40, Muir, 7.86M) reported, "Our team here has been reporting on the children who were separated from their parents at the border. By midnight tonight, the government was told it has to reunite thousands of children with their parents. So, will they make the deadline, and how many children and parents are still waiting? ABC's chief national affairs correspondent Tom Llamas on this again tonight." ABC (Llamas) added, "Right now, reunions like this playing out across the country. But still, hundreds of migrant children remain in limbo, despite a court-ordered deadline. The government ordered to reunite more than 2,500 children separated from their parents. Tonight, more than 1,800 children back with their families. For months, we've reported on the children taken from their parents at the border. Ramped up under the Trump administration's zero tolerance immigration policy. And we saw up close the trauma families face. This mother, crossing illegally into the US, she told me she's been traveling for a month. She broke down. She tells me gangs threatened to kill her child. They already killed his father. And we were there as this little boy was reunited with his parents after living with a foster family in Michigan for eight months. Back in Guatemala, he looked shell-shocked. We've just received new numbers tonight. The federal government saying more than 700 children are ineligible for reunification because of an issue with their parents, including hundreds of cases where the parents are no longer even in this country. The government will now have to work and try to figure out how and if they'll be able to get those families back together. David?" Muir: "Just to be clear, some of the parents were actually sent home already." Llamas: "That's right. They either deported or left on their own, but the government can't find them in some cases."

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ABC: House Republicans-Articles Of Impeachment-Rod Rosenstein. [ABC World News Tonight](#) (7/26, story 7, 0:30, Muir, 7.86M) reported, "To other news tonight, and to a short-lived effort to try to impeach Rod Rosenstein, overseeing the Mueller investigation. Eleven conservative congressmen have now put off a drive to impeach Rosenstein, at least for now. Just hours before Congress left for a five-week break, they introduced articles of impeachment, accusing rosenstein of mishandling the

Russia investigation. Democrats tonight call it a political move on behalf of the President. Republican speaker Paul Ryan says he doesn't support impeachment. The measure would likely fail in a vote."

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ABC: Florida-Family Speaks Out Against Stand Your Ground. ABC World News Tonight (7/26, story 8, 1:30, Muir, 7.86M) reported, "Next tonight, the family speaking out against Florida's Stand Your Ground law. The same law in 27 other states. The black father shot and killed after a white customer appeared to start a fight over where they had parked. But no charges tonight. Here's ABC's Linsey Davis." ABC (Davis) added, "The family of Markeis McGlockton is now demanding a change to the law Florida police cited when announcing they would not file charges against the man who killed him." **Britany Jacobs**, Girlfriend: "I'm still in shock how this white man, this stranger, came up to my car and harassed me and my babies." **Davis**: "McGlockton was inside a Clearwater convenience store with his 5-year-old, buying snacks. He then rushed out after Michael Drejka, seen here, confronted his girlfriend Britany Jacobs inside her car with their other two young children because she was in a handicap spot. McGlockton forcefully shoved Drejka, who pulled out a gun and opened fire." **Ben Crump**, Family Attorney: "Make no mistake about it. This was a cold-blooded murder." **Davis**: "Drejka claimed self-defense under Florida's Stand Your Ground law, which allows people to use deadly force in order to protect themselves and police agreed. Tonight, his family is urging the state attorney to reverse course and charge him, saying the video shows McGlockton turning his body away from Drejka after that shove, proving he was not a threat. Now, at least 27 states have similar Stand Your Ground laws, and tonight, the family attorney is demanding that that law be changed so that someone who starts a confrontation can then not claim immunity."

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ABC: Law Enforcement Officers Killed. ABC World News Tonight (7/26, story 9, 0:10, Muir, 7.86M) reported, "To the index. The young state trooper killed near Phoenix. In training, shot on interstate 10. Officers were struggling with an erratic driver who grabbed another trooper's gun."

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ABC: Texas-Continuing Search For Cardiologist's Killer. ABC World News Tonight (7/26, story 10, 0:10, Muir, 7.86M) reported, "To Houston. Police now say it is highly probable that Dr. Mark Hausknecht, who once treated former President George HW Bush, was, in fact,

targeted by his killer. Surveillance video showing the suspect shooting the victim. He has not been caught."

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ABC: New Drug For Alzheimer's Patients. ABC World News Tonight (7/26, story 11, 0:15, Muir, 7.86M) reported, "A new drug showing promise in the fight against Alzheimer's. They say it reduced plaque in the brain that causes the disease, slowing progression. And in some cases, patients getting some memory back. It is still in clinical trials, but hopeful."

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ABC: Thailand-Soccer Team From Cave-Divers Speak Out. ABC World News Tonight (7/26, story 12, 1:30, Muir, 7.86M) reported, "Finally tonight here, we said we would stay on it, and tonight, inside that miracle cave rescue. What we never knew from the divers themselves. ABC's Matt Gutman tonight." ABC (Gutman) added, "Their daring mission captivated the world. Tonight, we're learning that the international rescue squad had feared that nearly half of that Thai soccer team would not survive the grueling journey out of that cave." **Unidentified Speaker**: "How many of you?" **Gutman**: "What did you think the chances were for success?" **Jason Mallinson**, British Cave Rescue Council: "We knew we could get them out. It was if we could get them out alive or not." **Gutman**: "One of the big concerns, the boys panicking." **Mallinson**: "There was potential for them to kill themselves, there was potential for them to kill us." **Gutman**: "So, rescuers administered a powerful sedative to knock the boys out cold. They used specialized equipment, full face masks so the boys could breathe, tightly strapped to prevent any leaks. A single leak could have been fatal. He volunteered for the first rescue. At one point, the 13-year-old boy starting to wake up. He had to re-administer that sedative. Had you ever administered a shot to anybody?" **Mallinson**: "Never." **Gutman**: "One by one, rescue divers saving every one of them. It does have to feel pretty good." **Mallinson**: "We never envisioned it would be completely successful and we're so glad it was." **Gutman**: "Most of those boys entering the monkhood. They hope to reunite with their hero divers some day, maybe without the masks."

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CBS: Wildfires. The CBS Evening News (7/26, lead story, 1:55, Glor, 5.69M) reported, "And we're going to begin here tonight with a wildfire that is a rapidly growing crime scene. A man suspected of starting that fire in California is in custody facing multiple counts of arson. The fire has now burned nearly 5,000 acres. 16,000 people have been forced from their homes in the town of Idyllwild, in the mountains east of Los Angeles. It is one of dozens of fires in the west

being fueled by drought and extreme heat. Jamie Yuccas is there.” CBS (Yuccas) added, “Firefighters spent a second day battling this, a burning behemoth of thick smoke and erratic flames, threatening to devour mountain resort communities 90 miles east of Los Angeles. Crews launched an all-out assault in the air and on the ground as the fire tripled in size overnight. Several homes never stood a chance.” Unidentified Speaker: “It’s our homes. What can we do?” Yuccas: “What are your biggest concerns at this point?” Unidentified Speaker: “Right now our biggest concerns are these temperatures. The temperature is going up, the humidity is dropping— that is just a recipe for disaster.” Yuccas: “Authorities believe the blaze was deliberately set by 32-year-old Brandon McGlover. He was arrested and charged with five counts of arson. The governor has declared a state of emergency here, and in northern California, where an out-of-control wildfire near the city of Redding has quickly grown to 20,000 acres. Meantime, a fast-moving brush fire near San Francisco caught the town of Clayton off guard.” Unidentified Speaker: “There were firefighters all the way around it and they had to get out of way. It was just too much, too fast.” Yuccas: “And more than 3,600 firefighters have bolstered containment lines around a wildfire near Yosemite National Park. Of course, this is the worst-case scenario Jeff— a family loses their home in this fire. Four other properties have also been destroyed, and now firefighters are working around the clock to protect whatever homes they can.”

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CBS: Severe Weather. The CBS Evening News (7/26, story 2, 0:20, Glor, 5.69M) reported, “Northeast now, the historic flooding in Pennsylvania turned deadly. An 18-year-old man drowned in a creek south of Pittsburgh. Parts of the state have got more than a foot of rain since the weekend. The storms did clear out today, but there’s a huge mess there to clean up and more than 35 million Americans face the threat of severe storms again tomorrow.”

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CBS: Facebook-Stock Drops. The CBS Evening News (7/26, story 3, 2:20, Glor, 5.69M) reported, “Facebook has taken a lot of hits recently. This may be the worst. Today, Facebook had the largest one-day drop in Wall Street history, losing more than \$120 billion in market value. After closing at a record high yesterday, Facebook plunged nearly 19 percent today to finish at \$176 a share. ‘Wired’ magazine’s Nicholas Thompson explains why Facebook’s focus on privacy may hurt profits.” CBS (Thompson) added, “The social media giant stock plunged \$120.9 billion by market close, more than the value of Starbucks, UPS, and Goldman Sachs. The last one-day drop was in 2000 when Intel lost \$91 billion. The sell-off began during Wednesday’s earnings call when

Facebook’s Chief Financial Officer revealed profits would continue to sink. CEO Mark Zuckerberg explained why.” Mark Zuckerberg, CEO Facebook: “We’re investing so much in security, that it will significantly impact our profitability.” Unidentified Speaker: “From now on, Facebook will do more to keep you safe and protect your privacy.” Thompson: “Facebook rolled out this ad in April, promising to address data misuse after admitting that political consulting firm Cambridge Analytica collected information from up to 87 million Facebook users.” Sen. Catherine Cortez Masto, Nevada: “Stop apologizing and let’s make the change.” Zuckerberg: “We should have handled a lot of things here differently.” Thompson: “Facebook is also struggling with its promise to combat fake news.” Alex Jones, InfoWars Host: “Mueller covered up for Epstein, kidnapping kids.” Thompson: “The company is under pressure to explain why Info Wars and other sites that promote conspiracy theories are allowed to use the platform. And recently Zuckerberg had to clarify controversial comments he made that appeared to defend holocaust deniers, originally saying it’s not right to ‘take someone off the platform if they gets things wrong.’ Zuckerberg’s personal wealth also took a hit. He lost about \$16 billion. If that loss holds, he will slip from sixth to third in the BLB index.” Glor: “What else is triggering this Facebook sell-off?” Thompson: “A couple of factors. One, it’s harder to add new users. Two, the new products, particularly stories, aren’t making as much money as the old products. And most importantly, the problems they have to fix— fake news and privacy— are expensive to fix.”

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CBS: Immigration-Reuniting Families. The CBS Evening News (7/26, story 4, 2:00, Glor, 5.69M) reported, “The Trump administration has struggled to meet a court-imposed deadline tonight for reuniting immigrant children and their parents. More than 2,600 children five and older were forced apart at the border. About 1,800 are back with their parents. Just over 700 are still separated. Mireya Villarreal reports tonight from Albuquerque, New Mexico.” CBS (Villarreal) added, “After crossing the border near El Paso back in May, Romela Victoria Isaula and her 13-year-old son, Geronimo, were finally reunited after being separated for two months. He says, ‘I’m so happy because I have her close.’ Now they’re heading to Massachusetts where they will wait for a judge who will decide whether they will be granted asylum or sent back to Honduras. Geronimo is one of more than 1,800 children recently reunited with a parent or other family member, but there are still more than 700 separated. Four hundred and sixty-three of them have parents who may have already been deported.” John Sandweg, Former Acting Director Of Immigration Customs Enforcement: “It’s not entirely clear how the government is defining eligible and

ineligible.” Villarreal: “John Sandweg is the former acting director of Immigration Customs Enforcement.” Sandweg: “I’m worried we have 460 parents now deported to Central America. There is a very high likelihood those parents will not see their children again.” Villarreal: “Immigration attorneys say the government is making unilateral decisions that include a parent’s health condition and criminal history with no oversight.” Sandweg: “There’s a lot of concern that that standard is being inconsistently applied. Parents are being arbitrary denied access to their children.” Villarreal: “So for the hundreds of ineligible children, these shelters will continue to be their home while the government figures out its next move. The ACLU is asking that federal judge to set a new deadline, August first, for more information on the reunification, which would hold the government’s feet to the fire. Late this afternoon, the Department of Justice confirmed, Jeff, that they will have reunified all eligible families by the end of the day. Again, eligible being the key word here.”

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CBS: Iowa-FBI Joins Search For Missing Student. The CBS Evening News (7/26, story 5, 2:00, Glor, 5.69M) reported, “More than a dozen FBI agents have now joined the search for a missing University of Iowa student. Molly Tibbetts disappeared last week after she went for a jog in Brooklyn, Iowa, about 70 miles east of Des Moines. As Adriana Diaz reports, police hope the fitness tracker she was wearing can provide a break in the case.” CBS (Diaz) added, “In Brooklyn, Iowa, Molly Tibbetts’ face is everywhere, but the 20-year-old is nowhere to be seen.” Jake Tibbetts, Brother: “You never think you’re going to see your-- see your sister on a poster with a ‘missing’ sign right across her.” Diaz: “Her brother Jake was of the last to see Tibbetts more than a week ago when he dropped her off here at the house her boyfriend, Dalton Jack, lives in.” Dalton Jack, Boyfriend: “Just putting trust and faith in law enforcement.” Diaz: “Jack was out of town at the time of her disappearance and is not a suspect. Last Wednesday, Tibbetts went out on her usual evening run. Now, up to 15 FBI agents have joined the investigation as well and are looking into the fitbit she was wearing and her social media footprint for clues to build a timeline.” Mitch Mortvedt, Iowa Division Of Criminal Investigation: “That takes it to a whole new level because we’re hoping to be able to precisely examine and know where she was, when she was there.” Diaz: “Tibbetts’ fitbit could potentially give investigators a trove of data from the day she disappeared. Thomas Yohannan is an expert on data recovery.” Thomas Yohannan, Data Recovery Expert: “You could actually overlay the location data with the real world to find out what exactly happened. You’re essentially trying to find a witness to the events that happened leading up to her missing person.” Diaz: “Late today, investigators told us they

have completed a timeline of Molly’s run using her fitbit data where her cell phone pinged towers and where witnesses saw her running. Jeff, their timeline ends where they think she went missing. They don’t think she left by choice or made it back to the house that night.”

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CBS: Law Enforcement Officers Killed. The CBS Evening News (7/26, story 6, 0:20, Glor, 5.69M) reported, “Two more law enforcement officers were killed on the job last night. A rookie Arizona trooper was fate all shot near phoenix by a man who grabbed another trooper’s gun as they tried to arrest him. And a 17-year veteran Milwaukee police officer was killed, also while making an arrest. So far this year, 36 US law enforcement officers have been gunned down in the line of duty. That is up more than 30 percent from last year.”

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CBS: US-North Korea Relations-Missing Remains Returned. The CBS Evening News (7/26, story 7, 2:40, Glor, 5.69M) reported, “Tomorrow, North Korea is expected to turn over remains of soldiers killed in the Korean War. The repatriation was one of the agreements reached at the Trump-Kim summit. When the remains reach the US, they will undergo DNA analysis for identification. More than 7,000 Americans are still listed as missing in the war. Among them, Hal Downes. David Martin has his store.” CBS (Martin) added, “Rick Downes was three years old when his father, Hal, went off to the Korean War. He’s been missing ever since.” Rick Downes, Son Of Missing Korean War Vet: “I call it the wound that never heals. After a while you get used to having it, and it finds a place within you and you go on and live life.” Martin: “He was too young to remember his father, so all he has is a home movie of a 26-year-old man with everything to live for.” Downes: “You just can’t help but look at him and see that he had it together. He had what he wanted. He with the woman he wanted. He had the family he wanted.” Martin: “Hal Downes was a radar operator in the back of an Air Force bomber which went down on a mission over North Korea. The pilot and navigator were able to bail out. What did they tell you about what they thought had happened to your father?” Downes: “They had no idea.” Martin: “Was either of them able to witness the crash?” Downes: “The navigator said the plane went down over-- finally crashed over a hill, and he heard the ammunition going off. And that’s all. That’s all we know.” Martin: “Two years ago, Rick flew to Pyongyang to press for the return of not just his father’s remains, but those of the 5,300 American service men still missing in action in North Korea. Are you out to give yourself father a proper burial, do a son’s duty?” Downes: “I got the son’s duty already when I

got to go to North Korea. We flew in over where we think my dad's plane went down." **Martin:** "This is him with a snapshot of his father as he flew over the site." **Downes:** "That was all there, the hills that the navigator said the plane went down. There they were. That's the closest I have been to him, proximity-wise, since I was three. And just never will forget that." **Martin:** "Now he is coming close again, this time with a promise by Kim Jong-Un to President Trump to return remains from the war." **Downes:** "You have to really watch your heart here, because this all could just fizzle. This could be nothing. It could be everything." **Martin:** "Whether Hal Downes ever receives a proper burial is in the hands of the North Koreans, but when you visit the National Mall, you will find his image etched to the stone of the Korean War Memorial, the face of the missing. David Martin, CBS News, Portsmouth, New Hampshire."

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CBS: Turkey-American Christian Pastor Detained. The CBS Evening News (7/26, story 8, 0:30, Glor, 5.69M) reported, "President Trump tweeted today the US will impose large sanctions on Turkey for detaining an American Christian pastor. That would be unprecedented action against a NATO ally. Andrew Brunson is under house arrest now. The government says he was involved in a failed coup attempt in 2016. He denies it. In his tweet, the President demanded Brunson be released immediately. Turkey's Foreign Minister tweeted back, 'No One dictates Turkey.'"

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CBS: 3D Printed Guns. The CBS Evening News (7/26, story 9, 2:25, Glor, 5.69M) reported, "Beginning August first, Americans will be able to download instructions for making guns on a 3D printer. The firearms will be all plastic and untraceable. This follows a long legal battle between a Texas gun designer and the US State Department. Here's Nikki Battiste." CBS (**Battiste**) added, "This is the liberator, a 3D printed gun. It's the design of 30-year-old Cody Wilson, founder of Defense Distributed, a pro-gun group." **Cody Wilson**, Founder Of Defense Distributed: "Anywhere there's a computer, there's a weapon." **Battiste:** "The plastic weapon is made with a 3D printer, internet connection, and this free online guide. This one only fires once." **Wilson:** "It only needs to be lethal once. I mean, that's the idea, right?" **Battiste:** "Wilson's 3D blueprints include AR-15s. The State Department demanded Wilson take down his blueprints five years ago. He complied but fired back with a lawsuit citing free speech rights." **Wilson:** "We said, no, we're Americans. Americans have the right to access this data unquestionably." **Battiste:** "After a legal battle, a settlement was recently reached. Starting next Wednesday, the State Department will allow Wilson to start posting his 3D gun blueprints on his

web. David Chipman is a retired ATF special agent who said 3D printed guns present a real and present danger because they are unregulated and untraceable." **David Chipman**, Retired ATF Special Agent: "We're basically, you know, handing the keys to the store to terrorists and armed criminals." **Battiste:** "Gun hobbyist Mike Crumling says the threat of 3D firearms is overblown. He designed his own 3D guns." **Mike Crumling**, Gun Enthusiast: "The printing process is not dangerous. The testing process would be the most dangerous part about it." **Battiste:** "Crumling says it could take up to 40 hours to print one 3D firearm." **Crumling:** "The people who think that you can download and just print a firearm, it-- it's possible, but it's not quite that simple." **Battiste:** "But Chipman believes this technology will fall into the wrong hands." **Chipman:** "I guarantee you five, 10 years from now, this is going to be a real threat to public safety." **Battiste:** "Several gun-control organizations are tonight seeking an emergency injunction to halt the publication of the blueprints. 3D guns can already be made legally. But, Jeff, they cannot be sold." **Glor:** "No matter how you feel about this issue I think it will get a lot more attention in the years ahead. Nikki, thank you."

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CBS: Greece-Wildfire Linked To Arson. The CBS Evening News (7/26, story 10, 0:15, Glor, 5.69M) reported, "Officials in Greece said today there is evidence the wildfire that swept through a vacation area near Athens this week was arson. New drone footage shows the scale of the devastation there. More than 80 people were killed. Dozens are still missing."

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CBS: France-Career Criminal Still On Run. The CBS Evening News (7/26, story 11, 0:25, Glor, 5.69M) reported, "French police say they just missed capturing their most-wanted fugitive. Redoine Faïd, a career criminal, broke out of prison in spectacular fashion July 1st, flying out with accomplices in a hijacked helicopter. Police believe they spotted him Tuesday near Paris, but he sped away in a car that was later found in a parking garage. The car contained six containers of plastic explosives. Faïd was nowhere to be found."

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CBS: Colombia-Drug Gang Puts Bounty On Police Dog. The CBS Evening News (7/26, story 12, 0:20, Glor, 5.69M) reported, "This may be a first. A Colombian drug gang has put a \$70,000 bounty on a police dog. Sombra, or Shadow, has sniffed out about 10 tons of drugs in more than 300 operations. The German Sheppard's work has led to

more than 245 arrests. Police have now transferred Sombra to a safer post and given him extra security.”

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NBC: Facebook-Stock Drops. NBC Nightly News (7/26, lead story, 1:45, Holt, 7.35M) reported, “Facebook could use friends and likes tonight after a stunning and historic upset on Wall Street. The social media giant losing tens of billions of dollars in value sliding nearly 20 percent for the biggest loss sustained by a company in stock market history, but it’s a story behind Facebook’s problems being closely watched in the Silicon Valley, slowing growth and fewer daily users as the company grapples with lingering privacy and security scandals. Our Tom Costello has details.” NBC (Costello) added, “The sell off was staggering and unprecedented. Facebook losing \$119 billion in market value today alone. The worst single day ever for a US company after this profit warning from CEO Mark Zuckerberg.” Mark Zuckerberg, CEO Facebook: “We’re investing so much in security that it will impact our profitability.” Costello: “Zuckerberg lost \$15 billion in the sell off, coming after two years of scandals and investigations.” Rep. Mike Doyle, Pennsylvania: “It seems you turned a blind eye to this, correct.” Zuckerberg: “Congressman, I disagree with that assessment.” Costello: “From Russian election meddling and disinformation to 87 million users whose private information was compromised by Cambridge Analytica, now Facebook users are tightening their privacy settings and the number of daily users is dropping.” Scott Galloway, NYU Stern School Of Business: “So you can argue there is a lot of rage against Facebook, but where do people go to express their rage? They go to Facebook and Instagram.” Costello: “Facebook insists it is making changes to privacy and security. It still dominates social media worldwide. From London to Berlin, the Vegas strip to Tokyo, also owning Instagram, Messenger, and What’s App. Despite the stock sell off today, it’s back to where it was in May.”

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NBC: Facebook-Fake Profile Issues. NBC Nightly News (7/26, story 2, 2:00, Holt, 7.35M) reported, “This is Jo Ling Kent, the world’s largest social network is struggling in the battle against fake profiles. The problem is so big that Facebook says it’s disabled 1.3 billion fake profiles over the past year. Police officer Justin Terney was killed in the line of duty at 22 years old. A year later, as the community mourned, a fake profile with his photo appeared on Facebook.” J.R. Kidney, Tecumseh Police Chief: “I couldn’t believe somebody would stoop that low. They created a Facebook profile page stating he was married, from Iowa and that he was currently working at the Kansas City Kansas police department.” Kent: “Chief of Police J.R. Kidney says he

contacted Facebook to remove the fake profile.” Kidney: “Our response from Facebook is zero.” Kent: “NBC news found dozens of cases of cyber thieves using stolen identities to create fake Facebook pages. This month, former Atlanta city councilman Alex Nguyen found his photo plastered across multiple fake profiles used to try to attract women. Brandy Beckham called authorities when a woman stole photos of her twins off Facebook.” Brandy Beckham, Facebook User: “She changed their names and birthdays and said we adopted them and we died.” Kent: “Facebook wants to use artificial intelligence to spot impersonators.” Kara Swisher, Executive Editor At Recode: “The problem is they built a platform that is just well beyond their ability to monitor it.” Kent: “After a month and a half, Facebook removed the fake profile with Officer Terney’s photo.” Kidney: “As much data and information as they have, they could be law enforcement’s best friend, but in this situation, sometimes I feel like they are our worst enemy.” Kent: “Facebook declined the request for an interview. The company apologized and called the Oklahoma police department case a mistake, saying community standards do not allow people to misrepresent themselves or impersonate others. This comes as Facebook grapples with fake profiles, bogus advertisers and foreign influence ahead of the 2018 midterm elections.”

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NBC: Wildfires. NBC Nightly News (7/26, story 3, 2:10, Holt, 7.35M) reported, “An American treasure is under threat tonight along with homes and buildings in California. A spreading wildfire emptied Yosemite National Park and triggered mass evacuations. Tonight wildfires fueled by record heat are sweeping up and down the region, with California declaring a state of emergency. Our Miguel Almaguer is in the fire zone.” NBC (Almaguer) added, “Tonight on both ends of the state, firefighters in California are losing the battle to save homes. These explosive conditions, fueled in part by record-breaking heat.” Unidentified Speaker: “I’m just upset and scared.” Almaguer: “The most dangerous fire in the state, threatening 5,300 structures and an American jewel, the Ferguson Fire is just a few miles from Yosemite National Park. The rugged terrain so dangerous, a firefighter has been killed here. How dangerous is this fire?” Mark Brunton, CAL Fire: “Extremely dangerous. So explosive and unpredictable that it puts us in a really hazardous situation.” Almaguer: “With Yosemite shut down and tourists evacuated, the park’s iconic beauty is shrouded in choking smoke. Camp grounds, Yosemite Falls and the valley floor eerily quiet. The first time fire has closed the park in 28 years.” Scott Gediman, Yosemite National Park: “We have changing fire conditions. It’s just not safe.” Almaguer: “From the fire lines to the frying pan, today 30 million across the west are cooking in the heat. Sacramento,

Tucson, Vegas, all hitting record highs this week. But in California, it's firefighters feeling the heat." **Unidentified Speaker:** "We are just petrified about our home." **Almaguer:** "Tonight in Yosemite, the race is on to protect a majestic park in the valley known for incredible beauty, this is a sight no one wants to see. It's hard to believe just three miles from this majestic fight, firefighters with us on the front lines as they are in a different world trying to protect this world. As you can see here, the valley is still socked in smoke and haze, this iconic view difficult to make out from anywhere in the park."

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NBC: Trump-Effects Of Tariffs. NBC Nightly News (7/26, story 4, 2:00, Holt, 7.35M) reported, "To President Trump hitting the road for controversial trade policies after announcing a truce with the European Union, but the on-going trade war with China is having a negative impact with US companies, including big-name brands, and you may pay the price. NBC news chief White House correspondent Hallie Jackson has the story." NBC (**Jackson**) added, "President Trump on a tour, defending his controversial tariffs." **President Donald Trump:** "The US steel is back." **Jackson:** "That's easy to do in front of this group, steel workers helped by his steel and aluminum tariffs, but many more industries use metal than make it, and they are feeling the pinch from retaliatory measures other countries are slapping on the US, including Coca-Cola, which says it's raising soda prices." **James Quincey,** Coca-Cola CEO: "It flows through the supply chain in all sorts of different ways, and ultimately thanks will have to pass through." **Jackson:** "It's not just manufacturers hurting, despite the promise to make farmers great again, many are waiting." **Dave Kestol,** Farmer: "They took beans down \$2 a bushel. That's a 20 percent pay cut. That's huge." **Jackson:** "Dave Kestol blames retaliatory tariffs, not the President, but needs something to happen soon, so does Nicole Esare, who says a \$12 billion aid package the administration announced isn't enough for her farm." **Nicole Esare,** Farmer: "It's a temporary fix. It's a band aid. It's not going to help us in the long run." **Jackson:** "That's not the only short-term solution. The President hopes to deescalate trade tensions with the EU, announcing in an agreement to hold talks, and while they do, hold off on new tariffs. Are you satisfied, is that enough, done deal?" **Sen. Doug Jones,** Alabama: "No, look, that's a fine first step, and I applaud for a first step, but it's only one small sliver of a much bigger pie." **Jackson:** "Senator Doug Jones' state Alabama would be among the places hardest hit by the tariffs, and so would Michigan and Wisconsin, two other places the President won but where his approval rating according to the poll has now slipped below 40 percent. Hallie Jackson, NBC news, the White House."

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NBC: Beijing-Explosive At US Embassy. NBC Nightly News (7/26, story 5, 0:15, Holt, 7.35M) reported, "Terrifying moment at the US embassy in Beijing today when authorities say a man detonated an explosive device on the street outside. The suspect was injured. Nobody else was hurt. There was no damage reported to the embassy. The motive unclear."

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NBC: Texas-Continuing Search For Cardiologist's Killer. NBC Nightly News (7/26, story 6, 1:30, Holt, 7.35M) reported, "New developments in a high profile murder mystery in Texas. A cardiologist who has treated George HW Bush, gunned down, the gunman also on a bike and authorities say it was a targeted attack, but who did it and why? We get the latest from Tammy Leitner." NBC (**Leitner**) added, "Tonight, police reveal a renowned Houston cardiologist was likely targeted by his killer, leaving more questions than answers." **Unidentified Speaker:** "This is a truly a who done it from top to bottom, a perplexing case." **Leitner:** "New video shows Dr. Mark Hausknecht in his final moments before being gunned down. The images captured from a city bus cam show the doctor in blue scrubs riding his bike to work, just like he did every day. Not far behind him, another man on a bike trailing the doctor, seen here carrying a bulging backpack. Minutes later, the gunman rode in front of the doctor and fired three shots while facing him. The medical examiner said he died of gunshots to the head, torso and upper left extremity and investigators, releasing this sketch of the suspect. Friends and neighbors retracing the killer's path, searching for clues." **Unidentified Speaker:** "Did you see anything unusual?" **Leitner:** "And asking residents to check home surveillance cameras." **Unidentified Speaker:** "We want to solve this murder, a senseless murder." **Leitner:** "Tonight, police continue to investigate why someone would murder a man who dedicated his life to saving others."

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NBC: US-Worst Maternal Maternity Rate In The Developed World. NBC Nightly News (7/26, story 7, 1:50, Holt, 7.35M) reported, "We turn now to a critical health warning for America's mothers, it might shock you to learn the US is the most dangerous place to give birth among developed nations. Hundreds of moms dying every year in this country and most of the time the deaths are preventable, but why is the mortality rate here so high? Is NBC's Kristen Dahlgren." NBC (**Dahlgren**) added, "Tara Hanson was 29, active and on top of the world about her first child Brandon." **Tara Hanson,** Mother: "Hi, Brandon bear." **Dahlgren:** "But within hours of giving birth, she didn't feel well. She told her husband Ryan and medical staff. Did she tell doctors?" **Ryan Hanson,** Widow: "She did. We were never able to push the

needle to the point where somebody said we need to do more.” **Dahlgren**: “Six days later, Tara died of an infection.” **R. Hanson**: “It’s hard to understand.” **Dahlgren**: “It’s an alarming trend. The US has the worst maternal mortality rate in the developed world, 700 women die every year from pregnancy or childbirth and some 65,000 nearly die. Serena Williams says she was almost a statistic. After giving birth, she was diagnosed with blood clots, but only after she repeatedly insisted doctors do a CT scan. African Americans are particularly at risk.” **Dr. Mary D’Alton**, New York-Presbyterian And Columbia University Irving Medical Center: “We’re significantly behind other advanced nations, and we’re really not sure of the reason why.” **Dahlgren**: “Possible factors, women having babies later, lack of access to care, or doctors not paying enough attention to the mother’s health. A stunning 60 percent of childbirth related deaths in the US are preventable. New York Presbyterian Colombia opened a first of its kind mother center practicing for emergencies and pushing for statewide reporting to better understand maternal deaths. Ryan Hanson now runs a foundation to increase awareness while raising 7-year-old Brandon, never forgetting the mom they lost.”

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NBC: US-Worst Maternal Maternity Rate In The Developed World-Expert Comments. NBC Nightly News (7/26, story 8, 0:45, Holt, 7.35M) reported, “These are alarming statistics. I want to bring in Dr. John Torres. What should patients, women be aware of when they go to the hospital?” **NBC (Torres)** added, “There is steps new moms can take. Three of the biggest concerns during and a few weeks after delivery to watch are blood loss, high blood pressure and fevers. Then keep mom and baby together unless there is medical reason to separate them. The skin to skin contact can help reduce mom’s chances of excessive bleeding, and finally, if you notice small symptoms, report it to your medical team and ask for an exam, and always have someone with you as an advocate that will ask the questions and press doctors for more than just she’s fine as an answer.” **Holt**: “If it doesn’t feel right, say something.” **Torres**: “Let them know.”

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NBC: Iowa-FBI Joins Search For Missing Student. NBC Nightly News (7/26, story 9, 1:35, Holt, 7.35M) reported, “We’re back with a deepening mystery over a missing university of Iowa student. She went for a jog in her hometown last week and hasn’t been seen since. The FBI is hoping the fitbit she’s been known to wear could help lead them to her. Her family members are speaking out to Ron Mott.” **NBC (Mott)** added, “In the heart of Iowa, a desperate search for missing college student Molly Tibbetts who

disappeared a week ago. Molly’s missing posters, showing the sophomore, are plastered over her hometown. Her mom, grateful but worried.” **Laura Calderwood**, Mother: “Of course, I’m hopeful she’ll be found because she’s tough and smart.” **Mott**: “She says the 20-year-old was dog sitting for her boyfriend’s brother. She went out for a run and sent a Snapchat to her boyfriend at 10:00 pm last Wednesday. He was the last to hear from her. and they are treating the case as criminal.” **Mitch Mortvedt**, Iowa Division Of Criminal Investigation: “We’re combing through digital evidence that Molly had and utilized. She’s 20 years old. She’s a college student. She’s well-connected.” **Mott**: “Tibbetts is an avid runner that always wore a fitbit, the FBI hopes to secure her location. A Facebook page set up to find her has almost 30,000 followers. Investigators scouring social media and cell phones for clues. They say the smallest bit of information might break the case.” **Morgan Collum**, Cousin: “It’s exhausting thinking about the possibilities of what could have happened to her, but the thing that I personally feel in my gut is that she’s alive.”

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NBC: American Airlines-Carry On Bags. NBC Nightly News (7/26, story 10, 0:20, Holt, 7.35M) reported, “One of the nation’s biggest airlines is backing away from a ban on board. American Airlines says it will soon allow passengers traveling in basic economy to bring aboard a carry on bag. Since 2017, basic economy passengers have been required to check carry on’s and pay the fees that go with it. The new carry on rules go into effect September fifth.”

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NBC: Immigration-Reuniting Families. NBC Nightly News (7/26, story 11, 0:30, Holt, 7.35M) reported, “Tonight the government is facing a deadline to reunite more than 2,500 children ages five to 17 taken from their parents at the border, and new numbers just in show 1,442 of those children have been reunited. The government expects to reunite children to what they call eligible parents by the deadline, which is midnight pacific tonight. The government says the parents of 711 children are considered ineligible because of such factors as criminal records or verification issues.”

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Friday, July 27, 2018 4:06 PM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Cc: PM-All-Users <PM-All-Users@state.gov>; PM-Post-Officers-DL <PM_Post_Officers_DL@state.gov>; PM-POLAD-DL <PM-POLAD-DL@state.gov>; ISN-SCO-DL <ISN-SPC-DL@state.gov>; PM-CPA <PM-CPA@state.gov>; AVC-Press-DL <AVC-Press-DL@state.gov>; Fong, Isaac JY <FongIJY@state.gov>; Tucker, Maureen E <TuckerME@state.gov>; Ricci, Anthony <RicciA@state.gov>; Fabry, Steven F <FabrySF@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Abisellan, Eduardo <AbisellanE@state.gov>; Cooper, John M <CooperJM3@state.gov>; Sullivan, Jerry <SullivanJ@state.gov>; Saghiehl, Luana <SaghiehlL@state.gov>; Wyatt, James A <WyattJA@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>; Tian, Steven Y <TianSY@state.gov>; Lao-Talens, Daniel N <LaoTalensDN@state.gov>; Paoella, James H <PaoellaJH@state.gov>; Basley, Natasha M <BasleyNM@state.gov>; McVerry, James <James.Mcverry.ctr@dla.mil>; Carroll, Christienne <CarrollC@state.gov>
Subject: PM NEWS CLIPS FOR JULY 23-27, 2018

PM NEWS CLIPS FOR JULY 23-27, 2018

Summary: This week saw extensive media coverage on the decision by the State Department and Department of Justice Department to reach a settlement in a lawsuit against Defense Distributed over the publishing of files for a 3D printed firearm. News of the settlement has drawn attention from multiple gun control organizations as well as a number of members of Congress. In response to the announcement a coalition of guns control organizations have jointly filed an emergency motion seeking a temporary restraining order to prevent the publishing of the designs, with the settlement going into effect August 1st. The issue was also brought up in a Senate Foreign Relations Committee hearing with Secretary of State Pompeo, and multiple members of House foreign Affairs and Judiciary Committees are seeking to have hearings on the matter in the near future.

Also of note this week is the expected passage of the 2019 National Defense Authorization Act, which includes a broad (though not simple or universal) waiver to CAATSA sanctions. The NDAA also specifically singled out Turkey, and would require a halt in the delivery of F-35 jets pending a report on defense trade and related issues. U.S-Turkish relations have been strained of late, with Turkey stating that they would not abide by U.S. sanctions on Iran and a recent announcement by President Trump that Turkey would be subject to sanctions if they did not release an American Pastor held in Turkish custody. Other developments of note are the U.S.-Australian ministerial meeting, the resumption of bombing against Houthi forces by the Saudi-led coalition, the repatriation of the remains of U.S. service members killed in the Korean War, an alleged meeting between senior U.S. officials and Taliban leaders to discuss peace negotiations, and the announcement that the U.S. would resume providing Egypt with Security Assistance funding that had been held since 2017 over human rights concerns.

(Editor's note: *The PM News Clips* is a digest of reports supplementing existing press clippings services that provides a representative sample of significant developments in the broader PM community of interest. **Links to these news items do not reflect official endorsement.**)

Front Office and Bureau Mentions

- Virginia-Pilot, "[Press Release: Janus Global Operations clears ISIS-placed explosive devices from essential Iraqi food processing facility](#)"
- Washington Times, "[Turkey to continue importing Iranian oil, despite U.S. sanctions](#)"
- Hankyoreh, "[US pushes to increase South Korea's share of defense costs](#)"

Special Coverage: Defense Distributed

- Vice News, "[Gun control groups are racing against the clock to stop 3D gun blueprints from going online](#)"
- The Guardian, "[DIY 3D-printed guns get go-ahead after Trump administration strikes court deal](#)"
- New York Post, "[Chuck Schumer warns of 3-D printed 'ghost guns'](#)"
- My Statesman, "[Editorial: Homemade 3-D printer guns should be regulated like any gun](#)"
- The Sun, "[WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons](#)"
- Brady Campaign, "[What You Need to Know About the 3D Printing of Guns on Demand](#)"
- Giffords, "[LEADING GUN SAFETY GROUPS TELL FEDERAL COURT THAT SETTLEMENT IN DOWNLOADABLE GUNS LAWSUIT IS DANGEROUS AND ILLEGAL](#)"
- Senate Foreign Relations Committee, "[MENENDEZ CALLS ON SECRETARY POMPEO TO STOP ONLINE POSTING OF DO-IT-YOURSELF, 3-D PRINTABLE GUN BLUEPRINTS](#)"
- Prindlepost, "[Debating the Permissibility of Printable Guns](#)"
- Breitbart, "[Government Admits AR-15s Are Not Weapons of War](#)"
- USA Today, "[Make an AR-15 at home: 3D printed 'downloadable guns' available Aug. 1](#)"
- Everytown for Gun Safety, "[The US Just Made It Legal For Anyone to Download And Print Their Own Gun. Yes, Really](#)"
- 3D Print, "[We Have to Take a Stand on 3D Printed Guns](#)"
- KUT, "[This Austinite Plans To Publish Designs Online For 3D-Printable Guns Next Week](#)"
- CBS Philly, "[New Jersey Attorney General Sends 'Cease And Desist' Letter To Halt Company's Publication Of 3D-Printed Gun Instructions](#)"
- Truth About Guns, "[The Defense Distributed Settlement Isn't a Done Deal... Here's What's Next](#)"
- The Hill, "[Anti-gun violence groups file to halt online posting of 3D-printed gun plans](#)"
- Economist, "[Soon anyone will be able to learn how to print 3D guns](#)"
- Snopes, "[Did the U.S. State Department legalize the publication of instructions for 3D-printed guns?](#)"
- Washington Post, "[I'm a sheriff. Don't flood the country with 3D-printed guns.](#)"
- Economist, "[Why it is difficult to regulate 3D-printed guns](#)"
- ABC News, "[State Department defends allowing publication of blueprints to 3D print guns](#)"
- CNN, "[Pompeo commits to reviewing 3D-printed gun policy](#)"

- Giffords, ["THE DANGERS OF 3D-PRINTED GUNS"](#)

Congressional & Public Affairs (PM/CPA)

USG/OTHER RELEASES

- DOS, ["2018 Australia-U.S. Ministerial Consultations"](#)
- DOS, ["U.S. Condemns Deadly Attacks in Syria's Sweida Province"](#)
- DOS, ["Pastor Brunson Moved to House Arrest"](#)
- DOS, ["Crimea Declaration"](#)
- DOS, ["An Update on American Diplomacy To Advance our National Security Strategy"](#)
- DOS, ["Secretary Pompeo's Call With Turkey's Foreign Minister Mevlut Cavusoglu"](#)
- DOD, ["Readout of Secretary of Defense James N. Mattis' Meeting with Omani Foreign Minister Yusuf bin Alawi"](#)

HILL NEWS

- Stars & Stripes, ["Lawmakers prod Pentagon to consider more Europe-based troops"](#)
- Firstpost, ["US Congress asks Donald Trump administration to come up with strategy for 'measurable progress' on defence ties with India"](#)
- Defense News, ["Hardware, end-strength, Russia and China sanctions. Here's the deal lawmakers reached on the huge defense policy bill."](#)
- Defense News, ["Jim Mattis warns Congress not to block Turkey from F-35 program"](#)
- Straits Times, ["Final US defence spending Bill expands pushback against China"](#)
- Washington Times, ["Joni Ernst: U.S. must remain in Iraq to counter Iran, Russia"](#)
- Financial Express, ["Indo-US relations: Bill to enhance strategic relationship with New Delhi introduced by American lawmakers"](#)

REPORTS/JOURNALS/MULTIMEDIA/COMMENTARY

- Japan Times, ["It's too early to write off the Indo-Pacific strategy"](#)
- The Wire, ["The Case for a Free and Open Indo-Pacific"](#)
- RealClear Defense, ["An Indo-Pacific Joint Multinational Training Command and Readiness Center?"](#)
- War on the Rocks, ["Black Sea's Back, Alright? A New Special Series"](#)
- National Interest, ["Yemen Is Bad but It Would Be Worse Without U.S. Involvement"](#)
- National Interest, ["RIP Taiwan?"](#)
- Defense One, ["Use maritime-law trends to offset Beijing's gains in the South China Sea"](#)
- Nikkei, ["China's Belt and Road stirs up local anxieties"](#)
- BESA Center, ["Towards an Arab NATO?"](#)

Regional Security, Arms Transfers, and Security Assistance (PM/RSAT & PM/SA)

ARMS SALE POLICY

- Newsclick, ["Weapons Made in America"](#)
- Sputnik, ["Pentagon Eyeing Lowering Transport Fees For Countries That Buy US Weapons"](#)
- Financial Times, ["Strong defence exports will boost US manufacturing base"](#)
- The Intercept, ["How a One-Word Loophole Will Make It Easier for the US to Sell Weapons to Governments That Kill Civilians"](#)
- Reuters, ["U.S. opens way for India to escape sanctions over Russia arms imports"](#)

SECURITY SECTOR ASSISTANCE POLICY

- New York Times, ["Despite Egypt's Dismal Human Rights Record, U.S. Restores Military Aid"](#)
- Defense News, ["US acts to release \\$195M in suspended military aid to Egypt"](#)
- The Hill, ["Final defense bill would limit US support to Saudi campaign in Yemen"](#)
- Dialogo Americas, ["The Best Learn from the Best"](#)
- Daily Maverick, ["African Security: Band-Aids and Shotgun Wounds"](#)

AF

- Deutsche Welle, ["Double debt risk for African countries that turn to China"](#)
- Long War Journal, ["Shabaab releases photos from inside joint US-Somali-Kenyan base"](#)
- All Africa, ["What peace will mean for Eritrea - Africa's 'North Korea'"](#)
- National Interest, ["America ignores Africa to its peril"](#)
- Defence Web, ["Suspected Boko Haram militants kill 18 in Chadian village"](#)
- Taipei Times, ["Xi arrives for visit in Africa as US interest wanes"](#)
- Stars & Stripes, ["Armed US drones up and running in Niger"](#)
- Washington Post, ["Extremists attack Somali military base in country's south"](#)
- Bloomberg, ["Anglophone Revolt Seen Raising Risk of Civil War in Cameroon"](#)
- Washington Post, ["Nigeria farmer-herder conflict now deadlier than Boko Haram"](#)
- All Africa, ["AU military chiefs raise red flag on foreign military bases"](#)
- All Africa, ["Troops carry massive security operation in Mogadishu"](#)
- The Intercept, ["Cameroon Is a Close US Ally — and Its Soldiers Carried Out a Shocking Execution of Women and Children"](#)
- The Intercept, ["US Secret Wars in Africa Rage On, Despite Talk of Downsizing"](#)
- News24, ["Africa's ability to deliver peace and security rests on fixing key relationships"](#)
- Washington Post, ["This little-known conflict in Nigeria is now deadlier than Boko Haram"](#)
- Africa Prime News, ["US Enhancing Military Partnerships In Africa, General Tod Says"](#)

EAP

- Business Insider, [“Authorities respond to an explosion near the US Embassy in Beijing”](#)
- South China Morning Post, [“Chinese and US armed forces to team up for Asia-Pacific health meeting despite trade and security turmoil”](#)
- Asia Times, [“Philippines teeters between war and peace”](#)
- Marine Corps Times, [“Marine Corps presence in Australia to rise to 2,500 as soon as possible”](#)
- Yahoo News, [“Seoul considers reducing troops along N. Korea border zone \(AFP\)”](#)
- Business Insider, [“North Korea is dismantling a key missile testing site — and it’s a big win for Trump”](#)
- Business Insider, [“A World War II battleground is now another flash point in China’s influence campaign in the Pacific”](#)
- Seattle Times, [“CIA: China is waging a ‘quiet kind of cold war’ against US”](#)
- Military Times, [“US presses China and Russia to enforce sanctions on North Korea”](#)
- RealClear Defense, [“It’s time to stop China’s seaward expansion”](#)
- Washington Post, [“Philippine rebel chief: 30,000 rebels to be disarmed in deal”](#)
- Defense News, [“US Air Force is giving away retired turboprop light attack aircraft to Philippines”](#)
- Washington Post, [“The U.S. makes a new push to bolster Taiwan’s military defenses. China won’t like it.”](#)
- The Diplomat, [“US-Philippines Alliance: Security Cooperation in the Headlines with Terror Aid Boost”](#)
- Military Times, [“Remains of fallen American troops headed back from North Korea”](#)
- National Interest, [“The return of the Asia-Pacific Quad”](#)
- Channel News Asia, [“South Korea scrambles jets to intercept Chinese warplane”](#)

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- Business Insider, [“Great-power competition is growing in the Arctic, but lawmakers want to cut funding for the US’s next icebreaker”](#)
- US News, [“U.S. General says future UK fighter jet must be compatible with F-35”](#)
- Al Jazeera, [“Turkey parliament approves new anti-terror law”](#)
- Washington Examiner, [“Turkey vows to keep buying Iranian oil: ‘We will not obey’”](#)
- Stars & Stripes, [“Lawmakers prod Pentagon to consider more Europe-based troops”](#)
- Reuters, [“Bulgaria issues request for proposals for fighter jets”](#)
- War on the Rocks, [“The real roots of Germany’s defense spending problem”](#)
- Bloomberg, [“F-35 transfers to Turkey held back under U.S. defense measure”](#)
- Financial Times, [“Georgia pledges to forge ahead with Nato ambitions”](#)
- Russia Today, [“Mattis slams ‘authoritarian’ Turkey but still wants it to buy F-35 jets — report”](#)
- Washington Times, [“Pentagon to send \\$200 million military aid package to Ukraine”](#)
- The Times UK, [“Moscow ‘funds violence in Balkans’ to thwart Nato expansion”](#)
- Anadolu Agency, [“Erdogan rejects reports on US prohibiting F-35 jet sale”](#)
- International Policy Digest, [“Baltic Peace Through NATO Strength”](#)
- Act Media, [“The minister of defence from Portugal confirmed that he would sell another five fighters F-16 to Romania”](#)
- Reuters, [“U.S., European allies map out larger role for F-35 fighter”](#)
- Rustavi 2, [“The US government will provide Georgia’s coastal defense patrol boats for ‘Island’ class”](#)
- Sputnik, [“Pentagon Awards \\$300Mln to Deliver Javelin Missiles to Ukraine, 5 Other States”](#)
- Al-Monitor, [“Washington ratchets up sanctions threats against Turkey”](#)
- Newsweek, [“Russia has sent thousands of troops and weapons to its western border, near US military and NATO allies”](#)
- Defense News, [“Poland switches gears to speed up Lockheed-made rocket launcher buy”](#)
- The Hill, [“Trump threatens Turkey with ‘large sanctions’ over detained pastor”](#)
- Ahval, [“Turkey secures \\$3.6 billion loan package from China”](#)

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- Reuters, [“Islamic State kills 215 in southwest Syria attacks: local official”](#)
- Reuters, [“Wary of U.S. ally, Syrian Kurds look to Damascus for talks”](#)
- The Hill, [“Mattis: No changes on Syria from Trump”](#)
- Al-Monitor, [“UAE talks up diplomacy as Congress curtails US involvement in Yemen war”](#)
- Al Bawaba, [“Continuing protests in Iraq leaves 14 dead, 700 injured”](#)
- Washington Post, [“Qatar to upgrade air base used by U.S. to fight terrorism”](#)
- Business Insider, [“Israel fires missiles, ‘intercepts’ Syrian warplane after intense fighting”](#)
- National Interest, [“The real threat to America: Iran may close the Strait of Hormuz”](#)
- Asia Times, [“Saudi canal plans signal Qatar crisis still raging”](#)
- Business Insider, [“Trump pivots to confronting Iran with the ‘fire and fury’ approach — and it could crush the Islamic republic”](#)
- Small Wars Journal, [“A brewing proto-insurgency: Is Bahrain the next target of Iran’s regional ambitions?”](#)
- Reuters, [“Islamic State makes comeback in Iraq with switch to guerrilla tactics”](#)
- Reuters, [“Russia and Qatar discuss S-400 missile systems deal TASS”](#)
- Army Times, [“US and Turkish troops coordinate patrols in tense Manbij region of Syria”](#)
- Military Times, [“Top Iranian general says his troops ‘ready to confront’ US”](#)
- Washington Post, [“U.S. allies have killed thousands of Yemeni civilians from the air. After 22 died at a wedding, one village asks, ‘Why us?’”](#)
- Reuters, [“Yemen’s Houthis say they attacked Abu Dhabi airport using drone”](#)
- Reuters, [“UAE ready to take on greater security burden in Middle East: minister”](#)
- Reuters, [“Saudi Arabia halts oil exports in Red Sea lane after Houthi attacks”](#)
- Arabian Aerospace, [“Saudi Arabia grows its Black Hawk fleet with \\$194m contract”](#)
- Reuters, [“Saudi-led coalition renews strikes on Yemen’s main port city”](#)
- Defense World, [“Israel Eyes Fighters, Helicopters Purchase From Boeing Using US Military Aid”](#)

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- The Atlantic, “‘A sudden burst of movement’ on the Afghan peace process”
- Indian Express, “India, US set to sign pact for secure military communications”
- HIS Janes, “India finalising negotiations for 48 additional Mi-17-V5 helicopters from Russia”
- Long War Journal, “Taliban overruns 2 districts in eastern Afghanistan”
- BBC, “Pakistan election: Dozens killed as voters go to polls”
- Business Insider, “The US government is okay with India’s purchase of Russian weapons for now, but not for much longer”
- ABC News, “‘Cautious optimism’ Afghanistan strategy working: US general”
- Stars & Stripes, “US munition drops on Afghanistan on pace to set record this year”
- Financial Express, “Pakistan’s Parliament needs to define status of armed forces”
- Eurasian Times, “Indian Army to be equipped with high mobility, light weight US, Korean artillery”
- Future Directions, “The United States in South Asia: The Pakistan Factor”
- Business Insider, “The US government is okay with India’s purchase of Russian weapons for now, but not for much longer”
- Foreign Policy, “India Is the Weakest Link in the Quad”
- Reuters, “Islamic State claims suicide bombing targeting Afghan vice president- Amaq”
- The Hill, “State Dept. official met with Taliban to kick-start Afghanistan peace talks: report”
- Defence Aviation Post, “US, India working ‘hand in glove’ to strengthen diplomatic, military relations ahead of ‘2+2’ dialogue, says Washington”
- Devdiscourse, “Boeing complete inaugural flights of Apache, Chinook choppers for India”

WHA

- Mintpress News, “US accuses China of seeking to build a “military base” in El Salvador commercial port”
- Boing Boing, “Could Brazil become a military dictatorship once again?”
- Sputnik, “Argentina ready to host several US military bases – reports”
- World Bulletin, “Argentina to lift ban on army role in internal security”
- EFE, “Argentina’s Macri announces “modernization” of armed forces”
- National Interest, “The Canadian Army is short on machine guns”
- CGTN News, “Brazil’s peacekeeping model”
- National Interest, “Russia’s Next Big Military Sale: To Mexico?”
- National Defense Magazine, “United States, Canada studying options to replace Arctic early warning radars”
- CBS News, “Brazilian student gunned down in latest wave of violence in Nicaragua”

EXERCISES

- Newsclick, “Japan-India military exercises a harbinger of deeper ties”
- Taiwan News, “Taiwan invited to join US National Guard exercise for third time”
- Ghana Web, “800 US soldiers in Ghana for jungle warfare training at Achiase”

Directorate of Defense Trade Controls (PM/DDTC)

- Arab Weekly, “Chinese commercial drones bring new uncertainties to old conflicts”
- Washington Examiner, “Treasury: Massachusetts smugglers helped Assad’s chemical weapons program”
- WTOP, “How China, Russia, Iran target US with economic espionage”

Global Programs and Initiatives (PM/GPI)

PEACEKEEPING

- Front Page Africa, “U.S., International Community Applauded for UNMIL’s Success in Liberia”
- UN News, “INTERVIEW: ‘Peacekeeping has a price,’ says UN Peacekeeping chief, as risks grow and resources shrink”

WOMEN, PEACE, & SECURITY

- News Deeply, “Using Data to Link the Status of Women to Peace and Security”

MARITIME SECURITY

- Defence Web, “All crew kidnappings to date this year in the Gulf of Guinea – IMB”
- Xinhua, “IMB urges vigilance amid spike in piracy in Gulf of Guinea”

Weapons Removal & Abatement (PM/WRA)

- Digital Trends, “Meet the gigantic machine that eats land mines for breakfast”
- Khmer Times, “CMAC needs \$100 million for demining”
- Khmer Times, “Mines unearthed during flooding”
- EFE, “FARC dissidents burn mine clearance NGO’s vehicle in Colombia”

Security Negotiations & Agreements (PM/SNA)

- Marine Corps Times, “Here’s why the Okinawa government is building shelters to protect schoolchildren from Marines”
- Yonhap News, “S. Korea, U.S. apart over ‘operational military support’ cost”

- DOD, “[U.S., South Korea Conclude 14th Integrated Defense Dialogue](#)”

State-Defense Integration

- *No updates*

Upcoming Think Tank Events

Reports

- Carnegie Endowment, “[The Military’s Immunity in Egypt](#)”
- CFR, “[Cameroon’s Failure of Politics](#)”
- Critical Threats/AEI, “[America Ignores Africa to Its Peril](#)”
- CSIS, “[NATO and the Claim the U.S. Bears 70% of the Burden: A False and Dysfunctional Approach to Burdensharing](#)”
- CSIS, “[Essential Imperatives for U.S. Arms Transfer Policy](#)”
- POMED, [Andrew Miller testimony before the U.S. House of Representatives Committee on Foreign Affairs Middle East and North Africa Subcommittee](#)
- ISW, “[Navigating the U.S.-Turkey Relationship Beyond the Quagmire](#)”

Events

7/30

- No events of note.

7/31

- Hudson Institute, “[Reforming the Committee on Foreign Investment in the United States](#)” a panel to discuss the drivers, prospects, and implications of CFIUS reform.

8/1-8/3

- No events of note.

Matthew Marquis

Office of Congressional & Public Affairs
Bureau of Political-Military Affairs (PM/CPA)
U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov Web: www.state.gov/t/pm/ | Twitter: [@StateDeptPM](https://twitter.com/StateDeptPM)

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From: Hart, Robert L <HartRL@state.gov>
Sent: Thursday, July 26, 2018 3:02 PM
To: Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>
Cc: Freeman, Jeremy B <FreemanJB@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>
Subject: RE: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items

I'm not sure they're going to call it two pages but we can try it. Does L/PM clear?

Rob Hart
202.736.9221 | hartrl@state.gov

Official - SBU
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From: Rogers, Shana A
Sent: Thursday, July 26, 2018 3:00 PM
To: Hart, Robert L <HartRL@state.gov>; Fabry, Steven F <FabrySF@state.gov>
Cc: Freeman, Jeremy B <FreemanJB@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>
Subject: RE: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items

Rob,
Does this work?

Thanks,
Shana

Official - SBU
UNCLASSIFIED

From: Hart, Robert L
Sent: Thursday, July 26, 2018 2:23 PM
To: Fabry, Steven F; Rogers, Shana A
Cc: Freeman, Jeremy B; Heidema, Sarah J
Subject: RE: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items

Steve, probably best if L/PM cuts as the outstanding clearance point. We aren't in a good position to assess what's most important to you in the background.

Thanks,

Rob Hart
202.736.9221 | hartrl@state.gov

Official - SBU
UNCLASSIFIED

From: Fabry, Steven F
Sent: Thursday, July 26, 2018 2:21 PM
To: Hart, Robert L <HartRL@state.gov>; Rogers, Shana A <RogersSA2@state.gov>

WASHAR0003419

Cc: Freeman, Jeremy B <FreemanJB@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>

Subject: RE: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items

Rob – you can send us an edited version that keeps it to two pages for us to review or we can do it; which do you prefer?

-- Steve

Official - SBU
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From: Hart, Robert L
Sent: Thursday, July 26, 2018 2:17 PM
To: Rogers, Shana A
Cc: Freeman, Jeremy B; Heidema, Sarah J; Fabry, Steven F
Subject: RE: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items

We do need to keep it to 2 pages. Let me know when you're ready for me to send and if L/PM clears.

Rob Hart
202.736.9221 | hartrl@state.gov

Official - SBU
UNCLASSIFIED

From: Rogers, Shana A
Sent: Thursday, July 26, 2018 2:16 PM
To: Hart, Robert L <HartRL@state.gov>
Cc: Freeman, Jeremy B <FreemanJB@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>; Fabry, Steven F <FabrySF@state.gov>
Subject: RE: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items

Rob,
As discussed, here is the additional paragraph on the TRO. If you need to keep this to 2 pages let us know and we can cut.

Shana

Official - SBU
UNCLASSIFIED

From: Hart, Robert L
Sent: Thursday, July 26, 2018 10:47 AM
To: Miller, Michael F; Shin, Jae E; Hamilton, Catherine E; Paul, Joshua M; Shufflebarger, Jamie; Ravi, Sunil K; Urena, Michael A; Darrach, Tamara A; Tucker, Maureen E; Abisellan, Eduardo; Rogers, Shana A; Freeman, Jeremy B
Cc: Heidema, Sarah J
Subject: FLASH CLEARANCE: Action Memo to T regarding Defense Distributed Settlement Items
Importance: High

All,

Attached for your urgent review and clearance is an action memo for T regarding actions required to conclude the *Defense Distributed* settlement agreement.

WASHAR0003420

As further action is required to meet our legal commitments, we request clearance by **12:30 pm today**. Apologies for the short turnaround requirement. Please contact me if you have any questions.

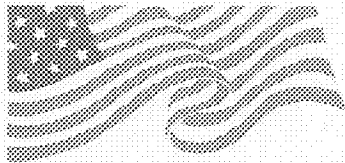
Thanks,

Rob Hart
Chief (Acting), Regulatory and Multilateral Affairs Division
Department of State | Directorate of Defense Trade Controls
202.736.9221 | hartrl@state.gov

Official - SBU
UNCLASSIFIED

WASHAR0003421

DEPARTMENT OF STATE CONGRESSIONAL CORRESPONDENCE
TASKER



IPS CONTROL# **H2018** 0726-000 ACTION BUREAU: FM

DATE: JUL 26 2018

IPS:

☒ SUBSTANTIVE
☒ IMAGE ENTIRE DOCUMENT

BUREAU:

BUREAU ACTION REQUESTED: RESPOND TO CCU WITHIN **2** DAYS

☒ REPLY FOR SIGNATURE BY Mary K. Waters, Assistant Secretary, Bureau of
Legislative Affairs

☐ ADDRESS ENVELOPE TO DISTRICT OFFICE

☐ DIRECT REPLY TO CONSTITUENT BY OFFICE DIRECTOR WITH COPY TO
CONGRESSIONAL OFFICE. PHONE 7-1608 WHEN COMPLETED

☐ FYI ONLY/NO RESPONSE NECESSARY

☐ REPLY FOR SIGNATURE DIRECTLY BY BUREAU

☐ OTHER ACTION: _____

FOR GUIDANCE/INFORMATION ON FORMATTING CONGRESSIONALS SEE:

<http://diplomedia.state.gov/index.php?title=Bureau> of Legislative Affairs Reference Documents#Yellow Border

****BUREAUS MUST MAKE TRANSFERS OF ACTION DIRECTLY WITH RECEIVING BUREAU'S FRONT
OFFICE. PLEASE NOTIFY CCU VIA UNCLASS EMAIL OF ALL TRANSFERS OF ACTION****

Due Date 7/31

ADDITIONAL INSTRUCTIONS:

☐ Multi-signer Letter: _____

☐ Special Instructions: _____

☐ EVEREST TASKER# _____

☐ Please clear with NSC prior to submission to H

FROM: Mary K. Waters (H)

**Congressional Correspondence
Recommendation**

JUL 26 2018

_____ **For Signature by Secretary Pompeo**
For draft by _____ Bureau

X **Tasked to the Pm Bureau for**
Signature by Mary K. Waters,
Assistant Secretary, Legislative
Affairs

_____ **Tasked to _____ Bureau for signature by**
Post or Bureau

_____ **FYI Only—No Reply Necessary**
For _____ Bureau

Special Actions:

_____ **Multi-signer letter:**

_____ **Special Clearances:**

_____ **For S Staff Review (H Only)**

_____ **Everest Tasker# _____**

_____ **Special Instructions: _____**

SENATOR FRANK R. LUTER

JOHN F. RICH, FLA.
 MARK R. ROSEN, FLA.
 BOB ROSEN, ILL.
 JEFF FLAKE, ARIZ.
 CHRIS BROWN, CALIF.
 TROY JOHNSON, IOWA
 JOHN R. LUTER, IOWA
 JIMMY H. HARRIS, IOWA
 RICHARD L. BLUMENTHAL, CONN.
 RICHARD L. BLUMENTHAL, CONN.

ROBERT MONTAGNA, NEW JERSEY
 WILLIAM L. CARSON, MARYLAND
 JENNIFER SHAW, NEW MEXICO
 CHRISTOPHER A. COONS, N.M.
 TOM HILL, NEW MEXICO
 CHRISTOPHER MURPHY, CONNECTICUT
 TONY F. GARDNER, ILL.
 STEPHEN L. MURPHY, MASSACHUSETTS
 JEFF L. BLUMENTHAL, CONN.
 CORY A. BOOKER, N.J.

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-8275

July 25, 2018

The Honorable Michael Pompeo
 Secretary of State
 U.S. Department of State
 2201 C Street NW
 Washington, DC 20520

Dear Secretary Pompeo:

The Department of State is about to permit the public, worldwide release of dangerous information on the 3D printing of functional firearms that are undetectable by standard security measures. Such a release would allow any foreign or domestic person, including arms traffickers, terrorists, transnational criminals, and domestic abusers to effectively "download" a gun, making it much easier to evade security measures and obtain a weapon. This decision is not only alarming and irresponsible, but one that appears to evade statutory requirements and skirts an ongoing regulatory review process.

Recently, the Department settled a lawsuit by a U.S. firm seeking to post blueprints and other information on the Internet that would allow anyone with a 3D printer to create plastic firearms. Based on reports of the terms of the settlement, the Department has now agreed that the information can be exempt from the export licensing requirements of the International Trafficking in Arms Regulations (ITAR). Even more troubling, the Department also agreed to temporarily suspend the relevant ITAR restrictions to allow this otherwise prohibited dissemination.

Yet this "temporary" suspension will effectively allow a permanent and continuing export. Once posted on the Internet, these files will be shared, downloaded, and used to create firearms. As such, this action is tantamount to a permanent removal of an item from the United States Munitions List, but without the 30-day notice to the Senate Foreign Relations Committee and House Foreign Affairs Committee as required by the Arms Export Control Act.

It is hard to see how making it easier for criminal and terrorist organizations to obtain untraceable weapons is in the foreign policy and national security interests of the United States. This action by the State Department makes the work of U.S. and international law enforcement and counter-terrorism agencies—and the U.S. Transportation Security Agency—all the more difficult and heightens the risk to innocent Americans and others from terrorist and extremist attacks. Moreover, the domestic risk cannot be understated, especially with the high rates of gun violence in our schools, churches, clubs and public gathering places. The release of these blueprints permits anyone, even those banned from gun ownership due to a criminal

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LEGISLATIVE AFFAIRS
2018 JUL 26 A 7 46

LMO/TB

WASHAR0003424

conviction, to build their own gun. These "ghost guns" also pose a problem for law enforcement as such firearms lack a serial number and are thus untraceable.

Given the far-reaching and dangerous consequences of this decision, I urge you to immediately review and reconsider the Department's position, and to ensure that this and any other decision regarding arms export control complies fully with the letter and spirit of the Arms Export Control Act. Further, any release should not occur until the Department, Congress, and the public have ample time to review the consequences of this action.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert Menendez". The signature is fluid and cursive, with a large, stylized "R" and "M".

Robert Menendez
Ranking Member

United States Senate

WASHINGTON, DC 20510

July 23, 2018

The Honorable Jeff Sessions
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530

Dear Attorney General Sessions:

We write with great alarm over the decision last month by the Department of Justice (DOJ) to settle the lawsuit brought against the State Department by the gun rights advocacy groups Defense Distributed and the Second Amendment Foundation.

In 2015, Defense Distributed and the Second Amendment Foundation sued the State Department, challenging the State Department's decision that Defense Distributed violated federal export controls and its demand that Defense Distributed remove from the internet its blueprints for three-dimensional ("3-D") printable firearms. Throughout the course of the lawsuit, the government maintained that its position was well-supported under the Arms Export Control Act and the International Traffic in Arms Regulations. Indeed, as recently as April 2018, the government filed a motion to dismiss in which it argued that "[w]hatever informational value there may be in the process by which 3-D printing occurs," Defense Distributed's Computer Aided Design files "are indispensable to a [3-D] printing process used to create firearms and their components," and "are also functional, directly facilitate the manufacture of weapons, and may properly be regulated for export."¹

In a stunning reversal of course last month, DOJ settled the suit and agreed to allow for the public release of Defense Distributed's 3-D firearm printing tutorials in any form. The government also made the puzzling decision to pay nearly \$40,000 in legal fees to the plaintiffs using taxpayer dollars.

This settlement is inconsistent with DOJ's previous position and is as dangerous as it is confounding. The settlement will allow these tutorials to be posted online for unlimited distribution to anyone — including felons and terrorists — both here in the United States and abroad. It also sets a dangerous precedent in defending against other legally sound determinations made by the State Department under the Arms Export Control Act and the International Traffic in Arms Regulations.

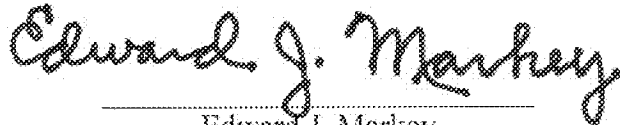
We are alarmed by this settlement and request an immediate explanation for DOJ's and the State Department's abrupt and dangerous reversal of course. We ask that, prior to August 1, 2018,

¹ *Defense Distributed v. U.S. Dep't of State*, Case 1:15-cv-00372-RP, Defs.' Mot. Dismiss Second Am. Compl., at 1 (W.D. Tex. Apr. 6, 2018).

DOJ provide us with a copy of the fully executed settlement agreement, and a written explanation and briefing on the reasoning behind the decision to settle this litigation in the manner it did. The American people have a right to know why their government agreed to such a dangerous outcome.

Thank you for your prompt attention to this matter. Should you have any questions about this request, please contact Callan Bruzzone of Senator Markey's staff at 202-224-2742.

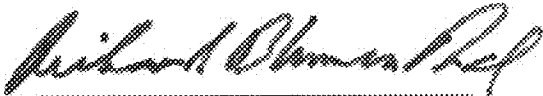
Sincerely,



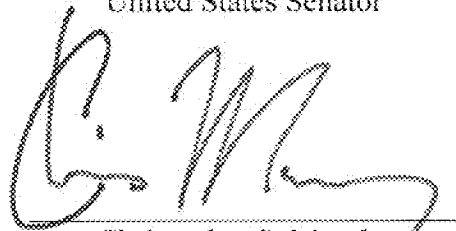
Edward J. Markey
United States Senator



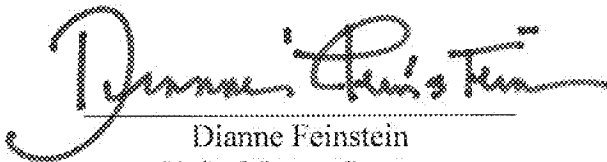
Bill Nelson
United States Senator



Richard Blumenthal
United States Senator



Christopher S. Murphy
United States Senator



Dianne Feinstein
United States Senator

From: Wall, Amanda J <WallAJ@state.gov>
Sent: Friday, July 27, 2018 6:19 PM
To: Fabry, Steven F <FabrySF@state.gov>; Dorosin, Joshua L <DorosinJL@state.gov>; Newstead, Jennifer G <NewsteadJG@state.gov>
Cc: Rogers, Shana A <RogersSA2@state.gov>; Freeman, Jeremy B <FreemanJB@state.gov>
Subject: RE: PM/DDTC spam campaign
Attach: Phil in 06040_ please stop the release of downloadable guns.msg; Patti in 98003_ please stop the release of downloadable guns.msg

+ Jennifer for awareness.

From: Fabry, Steven F
Sent: Friday, July 27, 2018 6:18 PM
To: Dorosin, Joshua L; Wall, Amanda J
Cc: Rogers, Shana A; Freeman, Jeremy B
Subject: FW: PM/DDTC spam campaign

FYI, re the Dept's CIO decision (bottom email) not to unblock the domain sending DDTC emails on 3D printing of guns.

Official - SBU
UNCLASSIFIED

From: Wrege, Karen M
Sent: Friday, July 27, 2018 5:58 PM
To: Mummaw, Karen E; Rogers, Shana A; Fabry, Steven F
Cc: Todd, William E (Ambassador); Bowden, Al J; Giuliano, Lysa C; Blackstone, Kevin; Miller, Glenn W
Subject: RE: PM/DDTC spam campaign

I think that the Everytown website is how these emails are being generated. Attached are sample emails.

Best,
Karen

From: Mummaw, Karen E
Sent: Friday, July 27, 2018 5:49 PM
To: Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>
Cc: Todd, William E (Ambassador) <ToddW@state.gov>; Bowden, Al J <BowdenAJ@state.gov>; Giuliano, Lysa C <GiulianoLC@state.gov>; Blackstone, Kevin <BlackstoneCK@state.gov>; Wrege, Karen M <WregeKM@state.gov>; Miller, Glenn W <MillerGW@state.gov>
Subject: PM/DDTC spam campaign

Shana,

Per our conversation, on the recommendation of our Chief Information Security Officer, Al Bowden, I am not comfortable unblocking the *everytown.org* site at this time. Our firewall team continues to see rolling activity from this site. These are not individuals attempting to contact the Secretary, but this appears to be a BOT conducting a targeted spam campaign that could result in a denial of service for those targeted inboxes. We have currently received over 52,000 emails from this site. We will continue to monitor.

Al, please jump in if I have missed anything. Thank you, Karen

Official
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WASHAR0003428

From: [REDACTED] <bounce@list.everytown.org>
Sent: Tuesday, July 24, 2018 8:32 AM
To: DDTC Response Team <DDTCResponseTeam@state.gov>
Subject: Phil in 06040: please stop the release of downloadable guns

Dear Secretary Pompeo,

Please stop the release of downloadable files that will allow people, including convicted felons and terrorists, to make untraceable guns on their 3D printers.

Do-it-yourself, downloadable guns are incredibly dangerous. The State Department is planning a special exemption letting the company Defense Distributed release schematics for these guns — information that would enable terrorists, convicted felons and domestic abusers to simply download files online and print their own illegal and untraceable guns. It's unconscionable to allow criminals to print untraceable guns on demand — and Defense Distributed says it will post its plans on August 1.

The State Department can act to prevent this deadly and dangerous outcome. It should not grant this special exemption to endanger the public — and instead should continue to block this deadly information from being published online.

Thank you,

[REDACTED] in 06040

<<http://track.sp.actionkit.com/q/cQJXxAZUJkM-cbEh2ochZQ~/AAAAAQA~/RgRdOaFaPlcEd2F3ZEIKAAJaHFdbLXkxt1IaZGR0Y3Jlc3BvbnNldGVhbUBzdGF0ZS5nb3ZYBAAAAFg~>>

WASHAR0003429

From: [REDACTED] <bounce@list.everytown.org>
Sent: Tuesday, July 24, 2018 8:31 AM
To: DDTC Response Team <DDTCResponseTeam@state.gov>
Subject: Patti in 98003: please stop the release of downloadable guns

Dear Secretary Pompeo,

Please stop the release of downloadable files that will allow people, including convicted felons and terrorists, to make untraceable guns on their 3D printers.

Do-it-yourself, downloadable guns are incredibly dangerous. The State Department is planning a special exemption letting the company Defense Distributed release schematics for these guns — information that would enable terrorists, convicted felons and domestic abusers to simply download files online and print their own illegal and untraceable guns. It's unconscionable to allow criminals to print untraceable guns on demand — and Defense Distributed says it will post its plans on August 1.

The State Department can act to prevent this deadly and dangerous outcome. It should not grant this special exemption to endanger the public — and instead should continue to block this deadly information from being published online.

Thank you,

[REDACTED] n 98003

<<http://track.sp.actionkit.com/q/QFEsuImQ64UELity0jLvVA~~/AAAAAQ~RgRdOaEiPlcEd2F3ZEIKAAciHFdbjhUY1F1aZGR0Y3Jlc3BvbmlldGVhbUBzdGF0ZS5nb3ZYBAAAI>

WASHAR0003430

From: [REDACTED] <bounce@list.everytown.org>
Sent: Tuesday, July 24, 2018 8:32 AM
To: DDTC Response Team <DDTCResponseTeam@state.gov>
Subject: Phil in 06040: please stop the release of downloadable guns

Dear Secretary Pompeo,

Please stop the release of downloadable files that will allow people, including convicted felons and terrorists, to make untraceable guns on their 3D printers.

Do-it-yourself, downloadable guns are incredibly dangerous. The State Department is planning a special exemption letting the company Defense Distributed release schematics for these guns — information that would enable terrorists, convicted felons and domestic abusers to simply download files online and print their own illegal and untraceable guns. It's unconscionable to allow criminals to print untraceable guns on demand — and Defense Distributed says it will post its plans on August 1.

The State Department can act to prevent this deadly and dangerous outcome. It should not grant this special exemption to endanger the public — and instead should continue to block this deadly information from being published online.

Thank you,

[REDACTED] in 06040

<<http://track.sp.actionkit.com/q/cQJXxAZUJkM-cbEh2ochZQ~/AAAAAQA~/RgRdOaFaPlcEd2F3ZEIKAAJaHFdbLXkxt1IaZGR0Y3Jlc3BvbnNldGVhbUBzdGF0ZS5nb3ZYBAAAAFg~>>

WASHAR0003431

From: [REDACTED] <bounce@list.everytown.org>
Sent: Tuesday, July 24, 2018 8:31 AM
To: DDTC Response Team <DDTCResponseTeam@state.gov>
Subject: Patti in 98003: please stop the release of downloadable guns

Dear Secretary Pompeo,

Please stop the release of downloadable files that will allow people, including convicted felons and terrorists, to make untraceable guns on their 3D printers.

Do-it-yourself, downloadable guns are incredibly dangerous. The State Department is planning a special exemption letting the company Defense Distributed release schematics for these guns — information that would enable terrorists, convicted felons and domestic abusers to simply download files online and print their own illegal and untraceable guns. It's unconscionable to allow criminals to print untraceable guns on demand — and Defense Distributed says it will post its plans on August 1.

The State Department can act to prevent this deadly and dangerous outcome. It should not grant this special exemption to endanger the public — and instead should continue to block this deadly information from being published online.

Thank you,

[REDACTED] n 98003

<<http://track.sp.actionkit.com/q/QFEsuImQ64UElity0jLvVA~~/AAAAAQ~RgRdOaEiPlcEd2F3ZEIKAAciHFdbjhUY1FlaZGR0Y3Jlc3BvbmlldGVhbUBzdGF0ZS5nb3ZYBAAAI>

WASHAR0003432

Bowden, Al J </O=SBUSTATE/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=E61AF09EA6724DADB0E7F08DFE95630F>
From: on behalf of
IRM IACISO </O=SBUSTATE/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=A650F4499F444523B58B2B5C8B785108>
Sent: Friday, July 27, 2018 7:12 PM
To: Wrege, Karen M <WregeKM@state.gov>; Bowden, Al J <BowdenAJ@state.gov>; CIRT <CIRT@state.gov>; Mummaw, Karen E <MummawKE@state.gov>
Cc: Todd, William E (Ambassador) <ToddW@state.gov>; Giuliano, Lysa C <GiulianoLC@state.gov>; Blackstone, Kevin <BlackstoneCK@state.gov>; Miller, Glenn W <MillerGW@state.gov>; IRM IACISO <IRMIACISO@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>; Norman, Marcus A <NormanMA@state.gov>
Subject: RE: PM/DDTC spam campaign

Karen,

I will request the applicable IRM and DS teams to ***initiate removal of the block immediately***. I will further instruct the teams to contact your office and/or acknowledge via this e-mail thread once the block has been removed.

Please don't hesitate to contact to CIRT (addressed above) if DDTC encounters adverse effects.

Have an enjoyable weekend.

Regards,

Al J. Bowden

Chief Information Security Officer | Deputy Chief Information Officer
Information Resource Management - Information Assurance (IRM/IA)
U.S. Department of State
(202) 634-3690 | BowdenAJ@state.gov



Official
UNCLASSIFIED

From: Wrege, Karen M
Sent: Friday, July 27, 2018 6:58 PM
To: IRM IACISO <IRMIACISO@state.gov>; Mummaw, Karen E <MummawKE@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>
Cc: Todd, William E (Ambassador) <ToddW@state.gov>; Giuliano, Lysa C <GiulianoLC@state.gov>; Blackstone, Kevin <BlackstoneCK@state.gov>; Miller, Glenn W <MillerGW@state.gov>
Subject: RE: PM/DDTC spam campaign

PM/DDTC wishes to proceed with removal of the block.

WASHAR0003433

Best,
Karen

From: Bowden, Al J **On Behalf Of** IRM IACISO

Sent: Friday, July 27, 2018 6:25 PM

To: Wrege, Karen M <WregeKM@state.gov>; Mummaw, Karen E <MummawKE@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>

Cc: Todd, William E (Ambassador) <ToddW@state.gov>; Giuliano, Lysa C <GiulianoLC@state.gov>; Blackstone, Kevin <BlackstoneCK@state.gov>; Miller, Glenn W <MillerGW@state.gov>

Subject: RE: PM/DDTC spam campaign

Karen/Karen,

For clarity purposes, please note that the applicable cyber teams identified “questionable” and “legitimate” activities associated with the subject spam campaign. In addition to valid correspondence (mail) destined for the DDTC mailbox, spam campaigns present an opportunity/vector for delivery of malicious payloads.

Given the above, I recommend continued blocking and monitoring of the offending domain throughout the weekend **unless** PM/DDTC deems it mission essential to have the block removed immediately. Please note that there is a likelihood that the initial activities/problems (spam storm) may return when the block is removed.

Please advise if PM/DDTC wishes to proceed with removal of the block.

Regards,

Al J. Bowden

Chief Information Security Officer | Deputy Chief Information Officer

Information Resource Management - Information Assurance (IRM/IA)

U.S. Department of State

(202) 634-3690 | BowdenAJ@state.gov



Official

UNCLASSIFIED

From: Wrege, Karen M

Sent: Friday, July 27, 2018 5:58 PM

To: Mummaw, Karen E <MummawKE@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>

Cc: Todd, William E (Ambassador) <ToddW@state.gov>; Bowden, Al J <BowdenAJ@state.gov>; Giuliano, Lysa C <GiulianoLC@state.gov>; Blackstone, Kevin <BlackstoneCK@state.gov>; Miller, Glenn W <MillerGW@state.gov>

Subject: RE: PM/DDTC spam campaign

I think that the Everytown website is how these emails are being generated. Attached are sample emails.

Best,
Karen

WASHAR0003434

From: Mummaw, Karen E

Sent: Friday, July 27, 2018 5:49 PM

To: Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>

Cc: Todd, William E (Ambassador) <ToddW@state.gov>; Bowden, Al J <BowdenAJ@state.gov>; Giuliano, Lysa C <GiulianoLC@state.gov>; Blackstone, Kevin <BlackstoneCK@state.gov>; Wrege, Karen M <WregeKM@state.gov>; Miller, Glenn W <MillerGW@state.gov>

Subject: PM/DDTC spam campaign

Shana,

Per our conversation, on the recommendation of our Chief Information Security Officer, Al Bowden, I am not comfortable unblocking the *everytown.org* site at this time. Our firewall team continues to see rolling activity from this site. These are not individuals attempting to contact the Secretary, but this appears to be a BOT conducting a targeted spam campaign that could result in a denial of service for those targeted inboxes. We have currently received over 52,000 emails from this site. We will continue to monitor.

Al, please jump in if I have missed anything. Thank you, Karen

Official

UNCLASSIFIED

WASHAR0003435

From: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Sent: Tuesday, March 27, 2018 4:59 PM
To: Hart, Robert L
Cc: Dearth, Anthony M; Heidema, Sarah J; Koelling, Richard W; Paul, Joshua M; PM-Staffers Mailbox; Steffens, Jessica L
Subject: PM Final: Defense Distributed offer of settlement
Attachments: DDTC DD Counteroffer RLH.DOCX

Rob,

PDAS Kaidanow approved without changes or comment.

Best,

Bill Hayes
PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>
Staff Assistant
202-647-8089

Official - Transitory
UNCLASSIFIED

From: Kaidanow, Tina S
Sent: Tuesday, March 27, 2018 4:45 PM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Cc: Steffens, Jessica L <SteffensJL@state.gov>
Subject: RE: For Review: FW: Defense Distributed offer of settlement

approve

Official - Transitory
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Tuesday, March 27, 2018 2:57 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov<mailto:KaidanowTS@state.gov>>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<mailto:PM-StaffersMailbox@state.gov>>; Steffens, Jessica L <SteffensJL@state.gov<mailto:SteffensJL@state.gov>>
Subject: For Review: FW: Defense Distributed offer of settlement

PDAS Kaidanow,

Please see attached for your clearance an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas.

Best,

Bill Hayes

PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>

Staff Assistant

202-647-8089

Official - Transitory

UNCLASSIFIED

From: Steffens, Jessica L

Sent: Tuesday, March 27, 2018 2:47 PM

To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>

Subject: RE: For Jessica: FW: Defense Distributed offer of settlement

Hi. I haven't made it through all of my emails given all the trip prep meetings, but DTC was going to send up some background on this case. That additional info should go up along with this approval request.

Thanks.

Official - Transitory

UNCLASSIFIED

From: PM-Staffers Mailbox

Sent: Tuesday, March 27, 2018 9:55 AM

To: Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>

Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>

Subject: For Jessica: FW: Defense Distributed offer of settlement

Jessica - please see attached for PDAS Kaidanow clearance an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas. Rob Hart said he is available to answer any questions.

Best,

Bill Hayes

PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>

Staff Assistant

202-647-8089

Official - SBU

UNCLASSIFIED

From: Hart, Robert L

Sent: Tuesday, March 27, 2018 9:50 AM

To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>

Cc: Dearth, Anthony M <DearthAM@state.gov<<mailto:DearthAM@state.gov>>>; Heidema, Sarah J

<HeidemaSJ@state.gov<<mailto:HeidemaSJ@state.gov>>>; Koelling, Richard W

<KoellingRW@state.gov<<mailto:KoellingRW@state.gov>>>; Paul, Joshua M

<PaulJM@state.gov<<mailto:PaulJM@state.gov>>>

Subject: Defense Distributed offer of settlement

Hello,

Attached for PDAS Kaidanow's review and clearance is an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas. I will follow up with Alicia or Bill to explain in more detail by phone. This document is being reviewed simultaneously by L/PM, but we request clearance on the substantive aspects of the offer as an ITAR matter.

To meet L's timeline we would be grateful for clearance by COB today. Please call me if you have any questions.

Thanks,

Rob Hart

Chief (Acting), Regulatory and Multilateral Affairs Division Department of State | Directorate of Defense Trade Controls
202.736.9221 | hartrl@state.gov<<mailto:hartrl@state.gov>>

Official - SBU
UNCLASSIFIED

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Tuesday, July 24, 2018 2:16 PM
To: Heidema, Sarah J; McKeeby, David I; Hart, Robert L; Freeman, Jeremy B; Rogers, Shana A; Miller, Michael F
Cc: PM-CPA; Cavnar, Anna; Fabry, Steven F; Carter, Rachel; Steffens, Jessica L; Koelling, Richard W
Subject: CPA Media Monitoring: Guns.com: Everytown, Schumer beat the drum to ban 3-D gun printing

[cid:image001.png@01D29279.128F6050]

Everytown, Schumer beat the drum to ban 3-D gun printing By Chris Eger
24 July 2018

With downloadable gun plans grabbing national headlines, Democrats and gun control groups are pushing for more regulation - which is a sure sign that they don't understand 2018.

On Capitol Hill, Senate Minority Leader Chuck Schumer, D-NY, last weekend blasted a pending move by President Trump's State Department to greenlight a Texas-based pro-gun group's ability to post plans online for "non-automatic firearms up to .50-caliber," such as the popular AR-15 and other semi-autos.

"Why in God's name is this administration allowing this to happen when it never was allowed before?" said Schumer. "We're asking them to immediately rescind such action, and if they don't, we will try to pass legislation preventing that. It makes no sense."

Schumer's rhetoric was prefaced last week by a New York Times editorial by former U.S. Rep. David Israel who held more regulation was needed to prevent the criminal underworld from easily printing "undetectable" plastic guns using an "inexpensive printer purchased online or at the neighborhood office supply store and a downloadable file."

However, Israel concedes in his piece that the current regulations on such guns still stand regardless of any pending move by the State Department. The Undetectable Firearms Act, signed into law by President Ronald Reagan in 1988, requires each gun made or sold in the country to have 3.7-ounces of metal content and is set to run through at least 2023.

The Texas group at the heart of the controversy is Cody Wilson's Defense Distributed, which is set to relaunch their DEFCAD project next month after a settlement negotiated with the State Department in a long-running lawsuit. Essentially, State argued it did not challenge the First Amendment right of Wilson to distribute the 3-D gun files domestically, only that it took an exception to the unfettered international distribution of what they argued was information that could be used by others to produce guns overseas, citing a violation of the International Traffic in Arms Regulations.

That objection is set to fall by the wayside as a result of the proposed settlement and DEFCAD, public and free to use, is ready to host CAD files for AR-15s, AR-10s, Czech Vz.58s, M1911 handguns and even popular guns such as the Ruger 10-22 and Beretta M9.

With the clock counting down to DEFCAD once again going live some five years after the federal government moved to shutter it, Everytown has mounted an online campaign to pressure Secretary of State Michael Pompeo to back out of the settlement, which both sides agreed to in June. The anti-gun group contends that allowing DefDist to move forward

would "enable terrorists, convicted felons, and domestic abusers to simply download files online and print their own illegal and untraceable guns," and that, "It's unconscionable to allow criminals to print untraceable guns on demand."

What Everytown does not acknowledge is the fact that many of the past downloaders for Wilson's single-shot Liberator pistol when it went live for the first time in 2013 were overseas in countries such as Spain, Brazil, Germany and the UK, and were quickly shared and torrented worldwide. More to the point, Wilson's group is not unique as a number of sites since then, such as FossCAD and GrabCAD, have long made 3-D gun files available to millions over the past several years. Code, once created and shared so extensively, is almost impossible to destroy. Going back even further, low-tech open source firearms plans and patent drawings have been circulating freely for centuries.

Still, with the federal government backing away from DefDist, Wilson sees the practice of downloadable gun files as moving into the mainstream. "I currently have no national legal barriers to continue or expand DEFCAD," he wrote in an email to TechCrunch. "This legal victory is the formal beginning to the era of downloadable guns. Guns are as downloadable as music. There will be streaming services for semi-automatics."

Link: <https://www.guns.com/2018/07/24/everytown-schumer-beat-the-drum-to-ban-3-d-gun-printing/>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov <<mailto:MarquisMR@state.gov>> | Web: www.state.gov/t/pm
/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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Official
UNCLASSIFIED

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UNCLASSIFIED

From: Hart, Robert L <HartRL@state.gov>
Sent: Friday, April 06, 2018 11:17 AM
To: Paul, Joshua M
Cc: Dearth, Anthony M; Heidema, Sarah J; Koelling, Richard W; Steffens, Jessica L
Subject: RE: PM Final: Defense Distributed offer of settlement

[REDACTED]

Rob Hart
202.736.9221 | hartrl@state.gov<<mailto:hartrl@state.gov>>

Official - Transitory
UNCLASSIFIED

From: Paul, Joshua M
Sent: Friday, April 6, 2018 11:16 AM
To: Hart, Robert L <HartRL@state.gov>
Cc: Dearth, Anthony M <DearthAM@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>; Koelling, Richard W <KoellingRW@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>
Subject: RE: PM Final: Defense Distributed offer of settlement

[REDACTED]

Official - Transitory
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Tuesday, March 27, 2018 4:59 PM
To: Hart, Robert L <HartRL@state.gov<<mailto:HartRL@state.gov>>>
Cc: Dearth, Anthony M <DearthAM@state.gov<<mailto:DearthAM@state.gov>>>; Heidema, Sarah J <HeidemaSJ@state.gov<<mailto:HeidemaSJ@state.gov>>>; Koelling, Richard W <KoellingRW@state.gov<<mailto:KoellingRW@state.gov>>>; Paul, Joshua M <PaulJM@state.gov<<mailto:PaulJM@state.gov>>>; PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>; Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>
Subject: PM Final: Defense Distributed offer of settlement

Rob,

PDAS Kaidanow approved without changes or comment.

Best,

Bill Hayes
PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>
Staff Assistant
202-647-8089

Official - Transitory

UNCLASSIFIED

From: Kaidanow, Tina S
Sent: Tuesday, March 27, 2018 4:45 PM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>
Cc: Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>
Subject: RE: For Review: FW: Defense Distributed offer of settlement

approve

Official - Transitory
UNCLASSIFIED

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Sent: Tuesday, March 27, 2018 2:57 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov<<mailto:KaidanowTS@state.gov>>>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>; Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>
Subject: For Review: FW: Defense Distributed offer of settlement

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Best,

Bill Hayes
PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>
Staff Assistant
202-647-8089

Official - Transitory
UNCLASSIFIED

From: Steffens, Jessica L
Sent: Tuesday, March 27, 2018 2:47 PM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>
Subject: RE: For Jessica: FW: Defense Distributed offer of settlement

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Thanks.

Official - Transitory
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Tuesday, March 27, 2018 9:55 AM
To: Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>

Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<mailto:PM-StaffersMailbox@state.gov>>

Subject: For Jessica: FW: Defense Distributed offer of settlement

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PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>

Staff Assistant

202-647-8089

Official - SBU

UNCLASSIFIED

From: Hart, Robert L

Sent: Tuesday, March 27, 2018 9:50 AM

To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<mailto:PM-StaffersMailbox@state.gov>>

Cc: Dearth, Anthony M <DearthAM@state.gov<mailto:DearthAM@state.gov>>; Heidema, Sarah J

<HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Koelling, Richard W

<KoellingRW@state.gov<mailto:KoellingRW@state.gov>>; Paul, Joshua M

<PaulJM@state.gov<mailto:PaulJM@state.gov>>

Subject: Defense Distributed offer of settlement

Hello,

Attached for PDAS Kaidanow's review and clearance is an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas. I will follow up with Alicia or Bill to explain in more detail by phone. This document is being reviewed simultaneously by L/PM, but we request clearance on the substantive aspects of the offer as an ITAR matter.

To meet L's timeline we would be grateful for clearance by COB today. Please call me if you have any questions.

Thanks,

Rob Hart

Chief (Acting), Regulatory and Multilateral Affairs Division Department of State | Directorate of Defense Trade Controls

202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official - SBU

UNCLASSIFIED

From: Kaidanow, Tina S <KaidanowTS@state.gov>
Sent: Thursday, April 12, 2018 5:27 PM
To: PM-Staffers Mailbox
Cc: Steffens, Jessica L
Subject: RE: For Approval: DD offer

fine

Official
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Thursday, April 12, 2018 4:56 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>
Subject: For Approval: DD offer
Importance: High

Ambassador,

Please find attached an updated defense distributed settlement offer from DDTC. DDTC requests your approval by 1000 tomorrow to best ensure L can get this to DOJ on time.

There is little substantive difference from the offer you cleared before, however, it does open the scope of release into the public domain of certain additional tech data for firearms and their parts and components.

Alicia Loucks
X76604

This email is UNCLASSIFIED.

From: Steffens, Jessica L
Sent: Thursday, April 12, 2018 4:53 PM
To: PM-Staffers Mailbox
Cc: Chandler, Karen R
Subject: FW: For Jess/Karen: DD offer
Importance: High

Okay with me.

Official - Transitory
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Thursday, April 12, 2018 4:51 PM

To: Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>; Chandler, Karen R
<ChandlerKR@state.gov<<mailto:ChandlerKR@state.gov>>>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>
Subject: For Jess/Karen: DD offer
Importance: High

Jess and Karen,

Please find attached an updated defense distributed settlement offer from DDTC. DDTC requests PDAS Kaidanow's approval by 1000 tomorrow.

There is little substantive difference from the offer PDAS Kaidanow cleared before, however, it does open the scope of release into the public domain of certain additional tech data for firearms and their parts and components.

Alicia Loucks
X76604

This email is UNCLASSIFIED.

From: Heidema, Sarah J
Sent: Thursday, April 12, 2018 4:44 PM
To: PM-Staffers Mailbox
Cc: Cavnar, Anna; Freeman, Jeremy B; Fabry, Steven F; Monjay, Robert; Hart, Robert L; Miller, Michael F; Dearth, Anthony M; Koelling, Richard W
Subject: For immediate review: DD offer

Staffers:

Attached is the draft of the Defense Distributed settlement offer that we clear. There is little substantive difference from the offer Tina cleared before, however, it does open the scope of release into the public domain of certain additional tech data for firearms and their parts and components. Any additional tech data added to this is tech data that we are already proposing to move to DOC in the I-III rule. Please send any questions to the folks copied here. L needs to send back the document to DOJ tomorrow morning, so please clear it back to all on this distro NLT 10am tomorrow.

I am out tomorrow, however, I can be reached at 2023024422 and L folks (Steve, Jeremy and Anna- copied here) should be able to address any questions.

Sarah

Official
UNCLASSIFIED

From: Steffens, Jessica L <SteffensJL@state.gov>
Sent: Thursday, April 12, 2018 4:53 PM
To: PM-Staffers Mailbox
Cc: Chandler, Karen R
Subject: FW: For Jess/Karen: DD offer
Attachments: DDTC DD Counteroffer v7 (clean).docx

Importance: High

Okay with me.

Official - Transitory
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Thursday, April 12, 2018 4:51 PM
To: Steffens, Jessica L <SteffensJL@state.gov>; Chandler, Karen R <ChandlerKR@state.gov>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Subject: For Jess/Karen: DD offer
Importance: High

Jess and Karen,

Please find attached an updated defense distributed settlement offer from DDTC. DDTC requests PDAS Kaidanow's approval by 1000 tomorrow.

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Sarah

Official
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From: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Sent: Tuesday, March 27, 2018 2:57 PM
To: Kaidanow, Tina S
Cc: PM-Staffers Mailbox; Steffens, Jessica L
Subject: For Review: FW: Defense Distributed offer of settlement
Attachments: DDTC DD Counteroffer RLH.DOCX

PDAS Kaidanow,

Please see attached for your clearance an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas.

Best,

Bill Hayes
PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>
Staff Assistant
202-647-8089

Official - Transitory
UNCLASSIFIED

From: Steffens, Jessica L
Sent: Tuesday, March 27, 2018 2:47 PM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Subject: RE: For Jessica: FW: Defense Distributed offer of settlement

Hi. I haven't made it through all of my emails given all the trip prep meetings, but DTC was going to send up some background on this case. That additional info should go up along with this approval request.
Thanks.

Official - Transitory
UNCLASSIFIED

From: PM-Staffers Mailbox
Sent: Tuesday, March 27, 2018 9:55 AM
To: Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>
Subject: For Jessica: FW: Defense Distributed offer of settlement

Jessica - please see attached for PDAS Kaidanow clearance an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas. Rob Hart said he is available to answer any questions.

Best,

Bill Hayes
PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>
Staff Assistant
202-647-8089

Official - SBU
UNCLASSIFIED

From: Hart, Robert L
Sent: Tuesday, March 27, 2018 9:50 AM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>
Cc: Dearth, Anthony M <DearthAM@state.gov<<mailto:DearthAM@state.gov>>>; Heidema, Sarah J <HeidemaSJ@state.gov<<mailto:HeidemaSJ@state.gov>>>; Koelling, Richard W <KoellingRW@state.gov<<mailto:KoellingRW@state.gov>>>; Paul, Joshua M <PaulJM@state.gov<<mailto:PaulJM@state.gov>>>
Subject: Defense Distributed offer of settlement

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To: PM-Staffers Mailbox; Steffens, Jessica L
Subject: RE: For Jess/Karen: DD offer

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From: PM-Staffers Mailbox
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To: Steffens, Jessica L <SteffensJL@state.gov>; Chandler, Karen R <ChandlerKR@state.gov>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Subject: For Jess/Karen: DD offer
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Sarah

Official

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Tuesday, July 24, 2018 9:00 AM
To: PM-CPA
Subject: PM/CPA DAILY BULLETIN – July 24, 2018
Attachments: Pan-Arab-07-23.docx; Clips20180724.doc; Briefing20180724.doc; Final-Guidance-July-23-2018.docx; WHA Early Alert 07-23-2018.docx; RRU 07-23 SR Russia.docx; RRU 07-23 SR Iran.docx; PM-CPA-DAILYBULLETIN24JULY2018.docx

Good morning from Foggy Bottom. Here is your PM/CPA Daily Bulletin for July 24, 2018 brought to you by the Office of Congressional and Public Affairs, Bureau of Political-Military Affairs, U.S. Department of State.

- * Final Press Guidance Package>> attached
- * Daily Bulletin in .DOCX format >> attached
- * BONUS: Department of State News Briefing >> attached
- * BONUS: Department of State News Clips >> attached
- * BONUS: Pan-Arab Media Highlights >> attached
- * BONUS: WHA Early Alert: Argentina, Mexico, Colombia, Cuba >> attached
- * BONUS: RRU Special Report Russia >> attached
- * BONUS: RRU Special Report Iran >> attached

PM-Related News

AF:

America ignores Africa to its peril<<https://nationalinterest.org/blog/buzz/america-ignores-africa-its-peril-26596>>

Suspected Boko Haram militants kill

18<http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=52505:suspected-boko-haram-militants-kill-18-in-chadian-village&catid=3:Civil%20Security&Itemid=113> in Chadian village

EAP:

Seoul considers reducing troops<<https://www.yahoo.com/news/seoul-considers-reducing-troops-along-n-korea-border-070630939.html>> along N. Korea border zone (AFP)

North Korea is dismantling a key missile testing site<<https://www.businessinsider.com/north-korea-dismantles-sohae-missile-site-satellite-launch-vehicle-win-for-trump-2018-7>> — and it's a big win for Trump

A World War II battleground is now another flash point in China's influence campaign in the Pacific<<https://www.businessinsider.com/growing-chinese-influence-in-guadalcanal-worrying-the-us-and-australia-2018-7>>

EUR:

The real roots of Germany's defense spending problem<<https://warontherocks.com/2018/07/the-real-roots-of-germanys-defense-spending-problem/>>

F-35 transfers to Turkey<<https://www.bloomberg.com/news/articles/2018-07-23/f-35-transfers-to-turkey-held-back-under-u-s-defense-measure>> held back under U.S. defense measure

Georgia pledges to forge ahead with Nato ambitions<<https://www.ft.com/content/e1a48320-8e53-11e8-b639-7680cedcc421>>

NEA:

Qatar to upgrade air base<https://www.washingtonpost.com/world/national-security/qatar-to-upgrade-air-base-used-by-us-to-fight-terrorism/2018/07/23/19e04c84-8eb7-11e8-b769-e3fff17f0689_story.html?utm_term=.38138a4c197c> used by U.S. to fight terrorism

Israel fires missiles, 'intercepts' Syrian warplane<<https://www.businessinsider.com/israel-fires-missiles-intercepts-syrian-sukhoi-warplane-2018-7>> after intense fighting

The real threat to America: Iran may close the Strait of Hormuz<<https://nationalinterest.org/blog/buzz/real-threat-america-iran-may-close-strait-hormuz-26606>>

SCA:

The US government is okay with India's purchase of Russian weapons for now<<https://www.businessinsider.in/The-US-government-is-okay-with-Indias-purchase-of-Russian-weapons-for-now-but-not-for-much-longer/articleshow/65118720.cms>>, but not for much longer

India, Russia in advanced talks for 48 additional M-17-V5 helicopters<<https://thediplomat.com/2018/07/india-russia-in-advanced-talks-for-48-additional-m-17-v5-helicopters/>>

'Cautious optimism' Afghanistan strategy<<https://abcnews.go.com/International/us-general-cautious-optimism-afghanistan-strategy-working/story?id=56764701>> working: US general

WHA:

Argentina's Macri announces "modernization" of armed forces<<https://www.efe.com/efe/english/world/argentina-s-macri-announces-modernization-of-armed-forces/50000262-3699746>>

The Canadian Army is short on machine guns<<https://nationalinterest.org/blog/buzz/canadian-army-short-machine-guns-26361>>

Commentary & Analysis: Sharing a border with the Syria, Israel appears to be becoming more involved in the conflict as forces loyal to the Syrian government are coming closer to Israeli territory<<https://www.haaretz.com/middle-east-news/syria/syria-s-assad-to-recover-golan-border-with-israel-as-rebels-surrender-1.6292003>>. Highlighting this is the recent violation of Israeli air space by a Syrian jet<<https://www.businessinsider.com/israel-fires-missiles-intercepts-syrian-sukhoi-warplane-2018-7>>, which was promptly shot down by Israeli air defenses. The Syrian government has protested other Israeli actions related to the conflict, most recently Israel's evacuation of Syrian "white helmet" aid workers<<https://www.sbs.com.au/news/syria-slams-criminal-evacuation-of-white-helmets-by-israel>> and their families ahead of an assault by Syrian government forces. Seeking to prevent the conflict from spreading or increasing in scale, Russia and Israel are negotiating a buffer zone<<https://www.haaretz.com/israel-news/netanyahu-to-meet-visiting->

russian-fm-discuss-syria-and-iran-1.6310869> between Israeli territory and Iranian linked forces that Israel claims is an attempt by Iran to create a military presence near Israel.

And Finally... The Coast Guard recently conducted a rescue operation in Hawaii<<https://www.military.com/undertheradar/2018/07/23/your-unicorn-call-coast-guard-asap.html>>, using a helicopter and response boat in the operation. The only problem being that the rescue was for an inflatable unicorn float. Despite the seemingly disproportional response the operation was perfectly reasonable as a safety precaution to ensure that a hapless bather hadn't been cast adrift, and luckily the unicorn was unoccupied. Concerned about someone missing out on some floating unicorn fun, the Coast Guard put out a press release for people to contact them with any information regarding the float.

Matthew Marquis
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968
e-mail: MarquisMR@state.gov<<mailto:MarquisMR@state.gov>> | Web: www.state.gov/t/pm
<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Steffens, Jessica L <SteffensJL@state.gov>
Sent: Friday, July 27, 2018 5:08 AM
To: Nelson, Rebekah A
Subject: FW: State Department News Briefing for Friday, July 27, 2018 (5:00am version)
Attachments: StateBriefing180727b.doc; StateClips180727b.doc

From: Bulletin Intelligence
Sent: Friday, July 27, 2018 4:56:10 AM
To: State@BulletinIntelligence.com
Subject: State Department News Briefing for Friday, July 27, 2018 (5:00am version)

State Department News Briefing

FRIDAY, JULY 27, 2018 5:00 AM EDT

TODAY'S TABLE OF CONTENTS

- + Trump Touts Deal With EU.
- + Remains Of US War Dead Flown Out Of North Korea.
- + Trump Threatens To Impose Sanctions On Turkey Over Detained Pastor.
- + Iranian General: Trump Would Regret War That Would "Destroy All That He Owns."
- + US Announces Aid To Iraqi Religious Minorities Affected By ISIS.
- + Lighthizer, Mnuchin Signal NAFTA Negotiations Could Conclude Soon.
- + Report: China, Russia, Iran Conducting Economic Cyberespionage Against US.
- + Thousands Of Civilians Killed By US Allies' Airstrikes In Yemen Civil War.
- + Khan Declared Victor In Pakistani Election.
- + US, China Trade Barbs At WTO.
- + US Pressures DR Congo's Kabila To Step Aside.
- + Ethiopian Prime Minister In US Seeking Investment.
- + Deluge Of Death Notices For Syrian Political Detainees.
- + UN Leader Warns Of Cash Shortage.

TRUMP TOUTS DEAL WITH EU. A day after the President and the European Commission's Jean-Claude Juncker announced a deal to reduce trade tensions, Administration officials touted the agreement as a sign Trump's tough approach is paying off. The President himself traveled to the Iowa and Illinois, where he promoted the deal and tariffs his Administration has imposed on imports of foreign steel and aluminum, and hailed the outcome of his talks with Juncker. The New York Times<<https://www.nytimes.com/2018/07/26/us/politics/trump-trade-european-union.html>> (7/26, Swanson, Ewing, 19.33M) reports that "the general outlines" of the deal "echoed of earlier negotiations...started under President Barack Obama and shelved by Mr. Trump last year," and the Washington Post<https://www.washingtonpost.com/business/economy/in-tentative-deal-with-eu-trump-touts-parts-of-global-trade-deals-he-once-rejected/2018/07/26/92b066e8-910b-11e8-8322-b5482bf5e0f5_story.html> (7/26, Whalen, Paletta, 15.68M) that he "embraced components of global trade deals he has rejected in the past."

The AP<<https://apnews.com/75ff5a0daf37497184312e8799007f13/Trump-Europe-trade-rift:-What-was-settled,-and-what-wasn't?>> (7/26, Wiseman) reports that the deal "produced few details and no commitments," and "didn't begin to address other Trump-led trade conflicts, notably with China, that have already hurt many US companies." The New York Times<<https://www.nytimes.com/2018/07/26/business/energy-environment/trump-europe-natural-gas-Ing.html>>

(7/26, Reed, 19.33M) points out that “Trump said on Wednesday that the...European Union would be ‘a massive buyer of L.N.G.,’” even though “any such shift won’t happen overnight.”

National Economic Council Director Kudlow, meanwhile, said on Fox Business’ Varney & Co.<<https://partner.criticalmention.com/app/#/clip/slim/7df7e516-5d29-4115-8ffb-7db6b4ec58fc>> (7/26, 264K), “Huge credit to President Trump for leading this. He was willing to be flexible. He’s tough but he’s a good negotiator. And full credit to the EU. ... The EU came with a positive attitude. Our side had a positive attitude. We are going to get to work get immediately on these issues and then we will deal with the larger picture of tariffs and standards, for example, and non-tariff barriers and subsidies. This changes everything. ... Both of these presidents, by the way, needed a win, and I think both got a large one yesterday. This changes the game.” The Washington Times<<https://www.washingtontimes.com/news/2018/jul/26/larry-kudlow-eu-now-backs-trumps-trade-fight-china/>> (7/26, Miller, 460K) notes Kudlow also said “Juncker pledged to back the US trade fight against China.” Said Kudlow, “The United States and the EU will be allies in the fight against China, which has broken the world trading system. ... Juncker made it very clear yesterday that he intended to help us [and] President Trump on the China problem.”

Reuters<<https://www.reuters.com/article/us-usa-trade-mnuchin/u-s-touts-eu-trade-deal-says-others-can-also-make-progress-idUSKBN1KG1RS>> (7/26, Heavey) reports Treasury Secretary Mnuchin said the US will “press ahead with European trade talks and also aim to strike a deal with Mexico and Canada in stalled negotiations over the North American Free Trade Agreement.”

USA Today<<https://www.usatoday.com/story/news/politics/2018/07/26/donald-trump-defends-tariff-plans-key-political-area-farm-country/841212002/>> (7/26, Jackson, 11.4M) reports that during his trip to “two farm states,” the President “urged backers to stick with him on trade.” At an Iowa community college, Trump – wearing “a campaign-style red hat” that said “Make Our Farmers Great Again” – said, “The farmers love me; they voted for me.” He also “touted new trade talks with Europe and said his tariffs are designed to force countries like China to change what he called unfair trade practices.”

ABC World News Tonight<<https://partner.criticalmention.com/app/#clip/view/34880816?token=553dcb31-2daf-41b8-b611-e138d6bc0d9b>> (7/26, story 4, 3:35, Moran, 7.86M) reported that in Iowa, Trump’s supporters are “now getting anxious about his trade agenda,” and the President offered an “acknowledgment that his trade war with China is clobbering farmers.” Trump was shown saying, “China wants to attack the farm belt because they know those – the farmers love me, they voted for me, we won every one of the states. They’re not going to win, just so you understand, we have all the cards, we’re going to win.” ABC added that “the concern is that it’s taken years, sometimes decades for American farmers and producers to build the business relationships, earn the market share, and now that they’re out of that market, competitors from other countries are rushing in to steal all that. The longer this trade war goes on, the risk of longer-term damage is greater.” NBC Nightly News<<https://partner.criticalmention.com/app/#clip/view/34880841?token=553dcb31-2daf-41b8-b611-e138d6bc0d9b>> (7/26, story 4, 2:00, Holt, 7.35M), meanwhile, said that Trump hit “the road for controversial trade policies after announcing a truce with the European Union, but the on-going trade war with China is having a negative impact with US companies, including big-name brands, and you may pay the price.”

Ross Says Trump Wants Auto Trade Probe To Continue, Credits Tariffs For EU Deal.

Reuters<<https://www.reuters.com/article/us-usa-trade-autos/trump-wants-auto-trade-probe-to-continue-action-to-be-deferred-ross-idUSKBN1KG2DM>> (7/26, Rampton) reports Commerce Secretary Ross said that Trump “wants the Commerce Department to continue its probe into whether tariffs on auto imports are warranted despite ongoing trade talks with the European Union, but he asked that no action be taken at this time.” Ross told reporters, “We’ve been directed by the president to continue the investigation, get our material together, but not actually implement anything pending the outcome of the negotiation.” He added that the Department would complete its work next month. The Washington Times<<https://www.washingtontimes.com/news/2018/jul/26/wilbur-ross-says-us-investigation-auto-tariffs-eur/>> (7/26, Boyer, 460K) notes “Ross credited steel and aluminum tariffs for the agreement,” saying, “If we hadn’t had steel and aluminum tariffs, we never would have gotten to the point we are now. ... This is a real vindication of the president’s trade policy.”

European Officials Hail Trump-Juncker Deal. The Wall Street Journal<<https://www.wsj.com/articles/europe-welcomes-trade-steps-with-u-s-but-many-questions-remain-1532610190>> (7/26, Pop, Peker, Subscription Publication, 6.13M) reports EU officials also hailed Wednesday's deal with the US. Welcoming what he called a "positive outcome" on Twitter, Dutch Prime Minister Mark Rutte said, "It is very important that the EU and the US work together in the field of trade and don't fight each other." German Economics Minister Peter Altmaier tweeted after the announcement, "Good news from the USA. Breakthrough achieved that can avoid trade war & save millions of jobs!" The AP<<https://apnews.com/c59dc98409e54340b6bdb3d321375189/US-EU-trade-agreement-wins-cautious-welcome-in-Germany>> (7/26) also reports "political and business leaders in Germany, Europe's biggest economy, on Thursday welcomed" the deal, though "relief was tempered with caution that details must still be firmed up."

The Washington Post<https://www.washingtonpost.com/world/europe/europeans-are-skeptical-of-trade-truce-with-trump/2018/07/26/316d68de-9054-11e8-ae59-01880eac5f1d_story.html> (7/26, Ariès, McAuley, 15.68M), meanwhile, reports that some European officials are "struggling to make sense of what seems a temporary trade war truce" between the US and EU. While "a number of national officials...herald[ed] the meeting as having prevented a trade war...others were wary, wondering whether it's realistic to expect Europe to buy more soybeans from the United States, as Juncker signaled, or to become 'a massive buyer' of liquefied natural gas from the US, as Trump declared." The New York Times<<https://www.nytimes.com/2018/07/26/world/europe/donald-trump-us-eu-trade.html>> (7/26, Erlanger, 19.33M) says that while "Europe's political and business leaders are cautiously optimistic that an economic crisis has been averted, they are also wary, given their history with Mr. Trump in the 18 months since he has taken office."

REMAINS OF US WAR DEAD FLOWN OUT OF NORTH KOREA. President Trump tweeted<<https://twitter.com/realDonaldTrump/status/1022690767305928704>> last night, "The Remains of American Servicemen will soon be leaving North Korea and heading to the United States," calling it "a great moment for so many families. Thank you to Kim Jong Un." Coverage of the White House announcement that the remains of American war dead flew out of North Korea was positive, with outlets calling it a result of the President's meeting with Kim.

The New York Times<<https://www.nytimes.com/2018/07/26/world/asia/us-korea-war-remains.html>> (7/27, Choe, 19.33M) indicates that "an American Air Force C-17 Globemaster cargo plane carrying the remains landed later at Osan Air Base south of Seoul, the South Korean capital," as "hundreds of American service members as well as a military honor guard lined up on the tarmac to mark the return of the fallen troops." The Times adds "each of the boxes was wrapped with the United Nations flag, the flag that American troops fought under in the Korean War." The Times also reports that "from Osan Air Base, the remains will be transferred to the Hawaii-based Defense POW/MIA Accounting Agency, where painstaking forensic work will be carried out to identify them."

The Washington Post<https://www.washingtonpost.com/world/asia_pacific/north-korea-expected-to-hand-over-us-remains-on-friday-s-korean-media-reports/2018/07/26/d06bf52a-90c9-11e8-9b0d-749fb254bc3d_story.html> (7/26, Taylor, Lamothe, 15.68M) reports White House Press Secretary Sarah Huckabee Sanders said in a statement, "Today's actions represent a significant first step to recommence the repatriation of remains from North Korea and to resume field operations in North Korea to search for the estimated 5,300 Americans who have not yet returned home." The CBS Evening News<<https://partner.criticalmention.com/app/#clip/view/34880831?token=553dcb31-2daf-41b8-b611-e138d6bc0d9b>> (7/26, story 7, 2:40, Glor, 5.69M) noted "more than 7,000 Americans are still listed as missing in the war."

The AP<<https://www.politico.com/story/2018/07/26/american-war-remains-north-korea-745125>> (7/26) reports, "The transfer of remains represents one of the first tangible results of Trump's June 12 summit meeting with North Korean leader Kim Jong Un."

TRUMP THREATENS TO IMPOSE SANCTIONS ON TURKEY OVER DETAINED PASTOR. The CBS Evening News<<https://partner.criticalmention.com/app/#clip/view/34880832?token=553dcb31-2daf-41b8-b611-e138d6bc0d9b>> (7/26, story 8, 0:30, Glor, 5.69M) reported, "President Trump tweeted<<https://twitter.com/realDonaldTrump/status/1022502465147682817>> today the US will impose large

sanctions on Turkey for detaining” American pastor Andrew Brunson. The move “would be unprecedented action against a NATO ally.” In response to President Trump’s tweet demanding Brunson’s immediate release, “Turkey’s Foreign Minister tweeted back, ‘No One dictates Turkey.’” The AP<<https://apnews.com/d45ad3b11a91469cb9438cfe564f76a3/Trump:-US-to-impose-sanctions-on-Turkey-over-detained-pastor>> (7/26, George, Superville) reports Trump’s threat came shortly “after the possibility of sanctions was first announced by Vice President Mike Pence,” whose “initial announcement of possible sanctions came at the close of a three-day conference” at the State Department on religious freedom.

The New York Times<<https://www.nytimes.com/2018/07/26/world/europe/turkey-sanctions-trump.html>> (7/26, Davis, 19.33M) casts Trump’s announcement as abrupt and “more of a muscular threat than an official statement of policy,” with no announcements of specific punitive measures from the Administration. Trump also “ratcheted up the pressure for Mr. Brunson’s immediate release” with a phone call to Turkish President Recep Tayyip Erdogan in which Trump said “that the pastor’s continued imprisonment was unacceptable, according to a White House official.” The Times adds that the “widening” US-Turkey “conflict highlighted how the Trump administration has been torn over Turkey,” with Trump and Secretary of State Pompeo seeking “a closer rapport with Mr. Erdogan” and the Pentagon wanting to continue fighting the Islamic State by preserving “a close alliance with a Kurdish militia in northern Syria” that the Turkish government considers terrorists. To Reuters<<https://www.reuters.com/article/us-turkey-security-usa/u-s-threatens-sanctions-unless-turkey-releases-american-pastor-idUSKBN1KG24M>> (7/26, Wroughton, Holland), the Administration “escalated its pressure campaign.”

The Washington Post<https://www.washingtonpost.com/politics/trump-says-us-will-impose-large-sanctions-on-turkey-for-detaining-american-pastor-for-nearly-two-years/2018/07/26/75dcde32-90e5-11e8-bcd5-9d911c784c38_story.html> (7/26, Wagner, Morello, 15.68M) reports Trump thought that after his NATO meeting with Erdogan, they had an agreement to free Brunson, but “the Turks, according to a Trump adviser, had cheated by ‘upping the ante’ for Brunson.” Bloomberg News<<https://www.bloomberg.com/news/articles/2018-07-26/pence-warns-turkey-u-s-to-impose-sanctions-if-pastor-not-freed>> (7/26, Epstein, 4.46M) reports that Washington-Ankara relations are at “a new low” in the “series of crises between the longtime allies.”

IRANIAN GENERAL: TRUMP WOULD REGRET WAR THAT WOULD “DESTROY ALL THAT HE OWNS.” The Washington Post<https://www.washingtonpost.com/world/middle_east/powerful-iranian-general-warns-trump-that-war-would-destroy-all-that-he-owns/2018/07/26/c1499ec2-90b9-11e8-bcd5-9d911c784c38_story.html> (7/26, Cunningham, Fahim, 15.68M) reports Gen. Qasem Soleimani, the commander of the Iranian Revolutionary Guard’s Quds force, warned the US “to halt threats of military action against Tehran, raising the stakes in an already fiery exchange between US and Iranian leaders this week.” Soleimani’s “combative message” also “suggested that Iran’s leadership is willing to stoke tensions with the Trump administration as part of Tehran’s efforts to project wider regional influence.” In a speech reported by Iran’s Tasnim News Agency, Soleimani said President Trump “would regret waging a war that would ‘destroy all that he owns.’”

Reuters<<https://www.reuters.com/article/us-iran-usa-soleimani/irans-special-forces-chief-warns-trump-if-you-begin-the-war-we-will-end-it-tasnim-idUSKBN1KG106>> (7/26, Hafezi) reports Soleimani “mocked” Trump “as using the language of ‘night clubs and gambling halls’.” Tasnim news agency quoted Soleimani as saying, “If you begin the war, we will end the war.” His “message was in essence a warning to the United states to stop threatening Iran with war or risk exposing itself to an Iranian response.”

Bolton Calls Meeting Of Top Officials On Iran Strategy. The Wall Street Journal<<https://www.wsj.com/articles/after-trumps-threat-to-iran-white-house-convenes-a-policy-meeting-1532597520>> (7/26, Gordon, Youssef, Nicholas, Subscription Publication, 6.13M) reports that, with parts of the Administration’s Iran policy unclear, including what it is willing to offer in return for a new agreement with the country and whether it is willing to use military force, National Security Adviser Bolton held a meeting of top officials – including Defense Secretary Mattis and Secretary of State Pompeo – to address the issue. Officials said the meeting also was intended to discuss an overall strategy for curbing Iranian influence in the Middle East instead of working on a country-by-country basis.

GOP Senators Warn European Countries Against Undermining US Iran Sanctions. The

AP<<https://apnews.com/ab304d78d59a4dbfb5666d6cf54e11c8/Senators-warn-Europe-against-flouting-US-Iran-sanctions>> (7/26, Lee) reports 10 GOP senators sent a letter to the ambassadors of Britain, France, and Germany saying they “would find it particularly troubling if you sought to evade or undermine” reimposed US sanctions on Iran and that any such efforts could see a congressional response.

US ANNOUNCES AID TO IRAQI RELIGIOUS MINORITIES AFFECTED BY ISIS. The Washington

Post<https://www.washingtonpost.com/world/national-security/help-is-on-the-way-at-last-for-religious-minorities-in-iraq/2018/07/26/e6d58265-76f5-4d26-abcc-a76ce7e1aeca_story.html> (7/26, Morello, 15.68M) reports United States Agency for International Development Administrator Mark Green said that soon the US will begin “its first directly funded rebuilding projects for Iraqi Christian and Yazidi communities” attacked by Islamic State militants. The projects’ focus will be “small infrastructure jobs to help restore water and electrical service.” This aid “was one of the centerpieces of a three-day conference held at the State Department this week to promote religious freedom.” Secretary Pompeo, who “announced an additional \$17 million for cleaning land mines” in areas he said have “large populations of religious minorities who were subject to ISIS genocide,” also said the conference will be held again next year.

LIGHTHIZER, MNUCHIN SIGNAL NAFTA NEGOTIATIONS COULD CONCLUDE SOON. Bloomberg

News<<https://www.bloomberg.com/news/articles/2018-07-26/lighthizer-signals-nafta-negotiations-could-wrap-up-next-month>> (7/26, Leonard, 4.46M) reports USTR Lighthizer today “said it’s possible Nafta partners will reach a tentative agreement next month.” In congressional testimony, Lighthizer “said the timetable would meet the Mexican objective of having President Enrique Pena Nieto sign a new North American Free Trade Agreement before he leaves office in December.” However, Lighthizer told the Senate Appropriations Committee that Canada could be the sticking point in reaching a new deal, saying, “I don’t believe that they’ve compromised in the same way the United States has or Mexico has.” The Washington Times<<https://www.washingtontimes.com/news/2018/jul/26/robert-lighthizer-trade-rep-us-closing-nafta-agree/>> (7/26, Sherfinski, 460K) notes “Sen. Jack Reed, Rhode Island Democrat, asked Mr. Lighthizer if Canada is a national security threat to the US.” Lighthizer responded by calling Canada a “great ally,” and saying, “Nobody is declaring war on Canada or saying they’re an unfriendly neighbor,” but “if you decide that you need to protect an industry, you can’t be in a position where the protection is of no value.”

Treasury Secretary Mnuchin said on CNBC’s Squawk

Box<<https://partner.criticalmention.com/app/#/clip/slim/036dbef4-ca9a-4424-99f8-f16c99a7cd88>> (7/26, 90K), “I would say on NAFTA, we hope to have an agreement in principle clearly very soon.”

Mexican Economy Secretary: US Agreed To Seek August NAFTA Deal. Reuters<<https://www.reuters.com/article/us-trade-nafta/mexico-u-s-agree-to-speed-nafta-talks-toward-august-deal-idUSKBN1KH02V>> (7/27, Lawder) reports

Mexican Economy Secretary Ildefonso Guajardo “said he had ‘constructive’ and ‘very positive’ talks with Lighthizer and President Donald Trump’s son-in-law and senior adviser, Jared Kushner.” He also “told reporters...that he and Lighthizer agreed they would need to get to work in order to hammer out a deal by August.”

REPORT: CHINA, RUSSIA, IRAN CONDUCTING ECONOMIC CYBERESPIONAGE AGAINST US. The

AP<<https://apnews.com/94edccaf1e184ec6805f2f5471d43760/Report:-China,-Russia-and-Iran-ramp-up-economic-spying-on-US>> (7/26, Riechmann) reports a National Counterintelligence and Security Center report found that “spy services from China, Russia and Iran, along with their proxy hackers, also are hard at work trying to steal trade secrets and proprietary information from the United States.” According to the report, “China, Russia and Iran stand out as three of the most capable and active cyber actors tied to economic espionage and the potential theft of U.S. trade secrets and proprietary information.” It said that cyberespionage is “relatively low-cost, high-yield.” One technique is “infiltrating computer networks of suppliers that serve large companies and then using that connection to worm their way up the chain into large corporate computer systems,” but “more vulnerabilities will emerge with the increase in cloud computing, artificial intelligence and the proliferation of vehicles, home appliances, medical devices and other items connected to the internet.”

THOUSANDS OF CIVILIANS KILLED BY US ALLIES' AIRSTRIKES IN YEMEN CIVIL WAR. The Washington Post<https://www.washingtonpost.com/world/middle_east/us-allies-have-killed-thousands-of-yemenis-from-the-air-after-22-died-at-a-wedding-one-village-asks-why-us/2018/07/25/3c3e4801-164e-42ae-ac08-bec09044e52a_story.html> (7/25, Raghavan, 15.68M) reports that more than 16,000 civilians have been killed and injured, mostly by airstrikes, in the Yemen civil war. A US-backed coalition, led by Saudi Arabia and the United Arab Emirates, are the ones with warplanes, and their "airstrikes have struck hospitals, schools, markets, motels, migrant boats, gas stations, even funeral gatherings, raising questions about the coalition's ability to abide by humanitarian laws that call for civilians to be safeguarded." Meanwhile, "the United States is playing an essential role in the war, supporting the coalition with intelligence, refueling, technical assistance and billions of dollars in bombs and other weaponry." The growing number of casualties has sparked "widespread denouncement of the U.S. role and calls in Congress to halt or regulate U.S. weapons sales to Saudi Arabia." The Post focuses on a April 23 airstrike on a wedding that killed 22 civilians, including eight children, and injured dozens.

KHAN DECLARED VICTOR IN PAKISTANI ELECTION. The AP<<https://apnews.com/881139dffe2f48818ef9725b433d37a7/Cricket-star-Imran-Khan-wins-in-Pakistan-but-needs-coalition>> (7/27, Gannon, Ahmed) reports, "Pakistan's Election Commission on Friday declared former cricket star Imran Khan's party the winner of Pakistan's" elections, but with 109 of 269 seats in the National Assembly it failed to "win an outright majority and must form a coalition." Coming in second, Shahbaz Sharif's Pakistan Muslim League won 63 seats, and in third place the left-of-center Pakistan People's party took 39 seats. Meanwhile, Khan's "opponents and rights groups charge that widespread fraud and massive manipulation gave Khan's party its victory," alleging "Pakistan's powerful military and its intelligence agency" were involved in the elections. Reuters<<https://www.reuters.com/article/us-pakistan-election/pakistans-imran-khan-declares-victory-as-rivals-cry-foul-idUSKBN1KF32O>> (7/25, Ali, Sayeed) says Khan's success "is a stunning rise for an anti-corruption crusader who has spent much of his political career on the fringes of Pakistan politics, but now stands on the brink of becoming the country's prime minister."

The Washington Post<https://www.washingtonpost.com/world/asia_pacific/pakistan-cricket-star-imran-khan-declares-victory-in-tense-election/2018/07/26/2ec12bb2-904e-11e8-ae59-01880eac5f1d_story.html> (7/26, Constable, 15.68M) predicts that "the taint of a questionable victory, and the contentious aftermath of an election that toppled the ruling party, seemed more likely to usher in a period of political turmoil than a smooth transition." Additionally, "the military was accused of interfering in the election on Khan's behalf," and even without proof the allegations "could harm Khan's relations with other parties as he tries to form a coalition government or rule on his own." While Khan "could potentially bring enormous change to a country where power has long resided in a feudal elite and its military allies," analysts note that he faces "intractable problems as high illiteracy and birthrates, violent religious extremism, a fast-falling currency and dangerous shortages of water and power." The Post suggests that "Khan seems to be counting on his personal charisma and passion...to carry over into the messy business of governing." The New York Times<<https://www.nytimes.com/2018/07/26/world/asia/imran-khan-pakistan-election.html>> (7/26, Gettleman, 19.33M) reports Khan "found a powerful ally in Pakistan's military," which "pressured, threatened and blackmailed politicians from rival parties, human rights groups have said, steadily thinning out Mr. Khan's competition." Members of rival parties alleged that ballot counting was "been done in secret, guarded by soldiers."

In a front-page article, the Wall Street Journal<<http://online.wsj.com/article/SB12619217266056794095704584369612326362896.html>> (7/26, Shah, Spindle, Subscription Publication, 6.13M) reports Khan's win required political compromises that critics say threaten his agenda. To gain additional votes, his party embraced traditional politicians who use patronage to cultivate support but also oppose the dramatic reforms Khan advocates. Meanwhile, Khan also called for a new, "mutually beneficial," relationship with the US. He said, "Unfortunately up to now, our relationship has been one-way. America pays Pakistan for fighting its war, which has really damaged Pakistan." Khan also demanded that US soldiers leave Afghanistan. With this position, Khan may be an asset to the US in efforts to make peace with the Taliban or an obstacle should the US continue military operations.

US, CHINA TRADE BARBS AT WTO. The AP<<https://apnews.com/7634da186cc64658a4c395a5097ff117/Amid-trade-war,-US-and-China-exchange-invectives-at-WTO>> (7/26, Keaten) reports US Ambassador Dennis Shea and Chinese Ambassador Zhang Xiangchen “exchanged barbs at the World Trade Organization.” The AP adds, “Shea lashed out at Beijing’s claim that it supports open, transparent, inclusive and non-discriminatory trade,” saying, “China’s size magnifies the harm caused by its state-led, mercantilist approach to trade and investment, and this harm is growing every day and can no longer be tolerated.” Shea also “rejected Chinese government claims that it remains a developing country given that it is the world’s largest automotive market, oil importer, steel manufacturer and meat consumer.” Zhang replied that Shea “reminded us that we are now in an unprecedented crisis of the multilateral trading system.”

US PRESSURES DR CONGO’S KABILA TO STEP ASIDE. Reuters<<https://www.reuters.com/article/us-usa-congo-un/u-s-warns-congos-kabila-that-time-for-posturing-is-over-idUSKBN1KG2EB>> (7/26, Nichols) reports US Deputy UN Ambassador Jonathan Cohen told the United Nations Security Council, “The United States regrets that” term-limited Democratic Republic of Congo President Joseph Kabila “did not use his July 19th address to parliament to” announce he would not run for re-election. Cohen warned, “The time for posturing is over.” AFP<<https://www.yahoo.com/news/us-pressures-kabila-step-aside-dr-congo-vote-182138889.html>> (7/26) reports December’s “vote is to take place two years later than originally scheduled, and after dozens have died in protests against Kabila who has been in power since 2001.”

ETHIOPIAN PRIME MINISTER IN US SEEKING INVESTMENT. Bloomberg News<<https://www.bloomberg.com/news/articles/2018-07-26/ethiopia-s-premier-to-woo-diaspora-investors-as-he-visits-u-s>> (7/26, Gebre, 4.46M) reports Ethiopian Prime Minister Abiy Ahmed “arrived in the U.S. for meetings with members of its quarter-million-strong diaspora community in a bid to woo investment for Africa’s fastest-growing economy.” He will meet “with the Ethiopian business community, religious leaders, think tanks and the public” in Washington, DC, until Saturday, when he will head to Los Angeles and Minneapolis, according to Ethiopia’s embassy.

DELUGE OF DEATH NOTICES FOR SYRIAN POLITICAL DETAINEES. The Washington Post<https://www.washingtonpost.com/world/death-notices-for-syrian-prisoners-are-suddenly-piling-up-its-a-sign-assads-won-the-war/2018/07/25/43ee2154-8930-11e8-8b20-60521f27434e_story.html> (7/25, Loveluck, Zakaria, 15.68M) reports groups that monitor Syrian prisons says the country’s “government has begun issuing death notices for political detainees at an unprecedented rate,” with most indicating “that prisoners have been dead since the early years of the conflict.” This “could offer a rare window into the mind-set of Syrian leaders, who are notoriously hard to read, at a pivotal point in the war.” Human rights experts and other observers believe the move indicated President Bashar al-Assad’s government’s increasing confidence “as his forces overrun final pockets of rebel-held territory,” and authorities’ lack of fear that “the multitude of deaths in regime custody” will cause increased resistance.

Similarly, the New York Times<<https://www.nytimes.com/2018/07/26/world/middleeast/syria-detainees-dead.html>> (7/27, Hubbard, Shoumali, 19.33M) reports experts believe the documents, which “appear to be the first public acknowledgment by the government that hundreds if not thousands of prisoners died in state custody,” indicate that “Assad is confident enough of winning the war and remaining in power that he can make that admission without fear of repercussion.”

UN LEADER WARNS OF CASH SHORTAGE. The New York Times<<https://www.nytimes.com/2018/07/26/world/americas/united-nations-leader-warns-of-a-cash-shortage.html>> (7/26, Gladstone, 19.33M) reports UN Secretary General António Guterres said in an internal memorandum to employees shared with The New York Times that delayed contributions by many member states left the organization’s cash flow n severely depleted and called on employees to cut expenses. Guterres wrote, “Our cash flow has never been this low so early in the calendar year, and the broader trend is also concerning.” While the Times says “it is not unusual that so many members have yet to pay their assessments” at this point in the year, Guterres wrote, “this new cash shortfall is unlike those we have experienced previously.” The memo comes “against a backdrop of pressure on the United Nations to control its expenses,” led by US Ambassador Nikki Haley. When word of the memorandum spread, “Guterres’s aides sought to dispel any notion that the United Nations was in a dire fiscal emergency.”

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Monday, July 23, 2018 8:16 AM
To: Heidema, Sarah J; McKeeby, David I; Hart, Robert L; Freeman, Jeremy B; Rogers, Shana A; Miller, Michael F; Cavnar, Anna; Fabry, Steven F; Carter, Rachel; Steffens, Jessica L; Koelling, Richard W; Litzenberger, Earle D (Lee); Kaidanow, Tina S
Cc: PM-CPA
Subject: CPA Media Monitoring: New York Post: Chuck Schumer warns of 3-D printed 'ghost guns'

[cid:image001.png@01D29279.128F6050]

Chuck Schumer warns of 3-D printed 'ghost guns'

By Shari Logan

22 July 2018

Sen. Chuck Schumer is warning the public to watch out for 3-D printed guns — that people will be able to legally download starting on August 1.

Gun rights activists reached a settlement with the US State Department and Department of Justice last week that allows them to post detailed instructions, including plans, files and 3-D drawings of the weapons.

"This online site shows you, how at your home, with a simple 3D printer, you can make a plastic AR-15, an AR-10, a very dangerous semi-automatic assault-style weapons out of plastic in your own basement," Schumer said at a Sunday press conference.

The June 29 settlement stems from 2013 when the US government shut down Texas-based Defense Distributed when the website began sharing printable 3-D gun plans online — saying they were violating laws that regulate the export of guns since anyone, anywhere could download their plans.

The site's owner, Cody Wilson, sued and the US government reached a settlement with him allowing Defense Distributed to post the plans and agreeing to pay almost \$40,000 of his legal fees.

Schumer warned that the results could be disastrous — and could potentially arm people who cannot legally purchase a gun under existing laws.

"The danger that could happen can be enormous," he said. "To have crazy people have easy access, to have terrorists have easy access to this kind of website and allow them to make plastic AR 15s undetected — so-called ghost guns — justifies the imagination."

The 3-D printed guns are inferior to firearms manufacturers traditionally make but still work. Printers run anywhere from \$200 to hundreds of thousands.

Schumer demanded the federal government reverse its decision. He'll be making a bill with a solution to the ghost gun blueprints by the end of the week, his spokesperson said.

Link: <https://nypost.com/2018/07/22/chuck-schumer-warns-of-3-d-printed-ghost-guns/>

Matthew Marquis

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From: McKeeby, David I <McKeebyDI@state.gov>
Sent: Thursday, July 26, 2018 10:08 AM
To: Kaidanow, Tina S
Cc: Carter, Rachel; Paul, Joshua M
Subject: Defense Distributed Settlement
Attachments: 0711 CONTINGENCY POINTS--DDTC--DEFENSE DISTRIBUTED.docx

As requested, here are the public lines approved by DOJ for discussing the Defense Distributed Settlement. DOJ is sending all media inquiries to PM/CPA.

Toplines

* The United States strictly regulates the export of defense articles, including related manufacturing technologies and information, as an integral part of safeguarding U.S. national security and furthering U.S. foreign policy objectives in accordance with the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).

* This was a voluntary settlement entered into following negotiations between the Department of State and the plaintiffs. The court did not rule in favor of the plaintiffs in this case. In other contexts, courts have upheld ITAR controls on technical data.

Additional Points

* The settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations to transfer oversight from the U.S. Department of State to the U.S. Department of Commerce of exports of firearms and related items that do not provide the United States with a critical military or intelligence advantage or, in the case of weapons, are not inherently for military end use, including many items that are widely available in retail outlets in the United States and abroad.

* These proposed regulations are part of an ongoing effort to create a simpler, more robust export control system that eases industry compliance, enhances enforceability, and better protects truly sensitive technologies.

* In addition to reducing regulatory burden on U.S. industry, these proposed regulations would eliminate the ITAR requirements at issue in this case, including the ITAR requirement to obtain U.S. Government authorization to post to the Internet technical data related to certain firearms and related items that are commercially available, such as those at issue in this case.

* In the course of formulating these proposed regulations, the U.S. Government conducted a national security analysis in the context of the rulemaking effort. Based on this analysis, it was determined that certain firearms and

related items that are widely available for commercial sale, and technical data related to those items, is of a type that does not offer a critical military or intelligence advantage to the United States, per section 120.3 of the ITAR, and therefore warrants export licensing requirements under the U.S. Department of Commerce's jurisdiction.

David I. McKeeby

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, July 25, 2018 4:49 PM
To: Steffens, Jessica L; PM-Strategy; Legal-PM-DL
Cc: PM-CPA; Brown, Stanley L; O'Keefe, Kevin P; Miller, Michael F; Mak, Daniella; Martin, Davette T; Dudding, Maria; Litzenberger, Earle D (Lee); Nute, Kathryn M; McVerry, James
Subject: Defense Distributed Settlement Alerts for 25 July 2018

[cid:image001.png@01D29279.128F6050]

Defense Distributed Settlement Alerts for 25 July 2018

"Security Expert on 3D Guns: 'More of a Novelty than Form of Mass Killing'"<<https://sputniknews.com/analysis/201807251066659134-3d-guns-novelty-leading-security-explained/>>, Gun rights activists in the United States will soon be able to post 3D printable gun plans online. In 2013, Cody Wilson, who describes himself as a post-left anarchist, posted plans for a 3D printed handgun called "The Liberator." The gun, which was made from plastic, had a metal firing pin and another piece of metal included to comply with the Undetectable Firearms Act.

"Editorial: Homemade 3-D printer guns should be regulated like any gun"<https://www.mystatesman.com/news/opinion/editorial-homemade-printer-guns-should-regulated-like-any-gun/j1wX4RxDSOVfLz0SHXTVM/?utm_source=SND&utm_medium=Twitter&utm_campaign=mys>, Federal law allows hobbyists to build their own guns for personal use. But the landscape has changed with 3-D printers, precise digital plans, and devices like the Ghost Gunner that allow anyone with a computer and a credit card to become a gun manufacturer.

"WORLD WAR 3D How the rise of 'ghost guns' - which anyone can print in their own home - could flood Europe with lethal, undetectable weapons"<<https://www.thesun.co.uk/news/6850692/ghost-guns-3d-print/>>, Normally, Americans would need to pass a background check before they can buy a gun, but freely-available blueprints for 3D-printed weapons could offer a way to bypass this law.

"What You Need to Know About the 3D Printing of Guns on Demand"<<http://www.bradycampaign.org/blog/what-you-need-to-know-about-the-3d-printing-of-guns-on-demand>>, While Brady's legal team has filed Freedom of Information Act (FOIA) requests to find out how and why this decision was made, the self-proclaimed "crypto-anarchist" will move forward to publish the blueprints for anyone and everyone to use. The Brady Center, along with Everytown and Giffords, is urging a Texas federal court to consider just how dangerous this could be and will be filing legal action.

"LEADING GUN SAFETY GROUPS TELL FEDERAL COURT THAT SETTLEMENT IN DOWNLOADABLE GUNS LAWSUIT IS DANGEROUS AND ILLEGAL"<<https://giffords.org/2018/07/3d-guns-law-center-group-letter/>>, Attorneys representing the Giffords Law Center to Prevent Gun Violence, Brady Center to Prevent Gun Violence and Everytown for Gun Safety have informed a Texas federal court that they anticipate filing legal action within days related to a settlement that would allow new designs for downloadable, untraceable guns to become public and available world-wide as early as August 1.

"MENENDEZ CALLS ON SECRETARY POMPEO TO STOP ONLINE POSTING OF DO-IT-YOURSELF, 3-D PRINTABLE GUN BLUEPRINTS"<<https://www.foreign.senate.gov/press/ranking/release/menendez-calls-on-secretary-pompeo-to-stop-online-posting-of-do-it-yourself-3-d-printable-gun-blueprints>>, U.S. Senator Bob Menendez, Ranking Member of the Senate Foreign Relations Committee, today called on U.S. Secretary of State Mike Pompeo to immediately intervene and review the surprising and sudden decision by his department to allow online public posting of 3-D printable gun blueprints in the next few days.

"Debating the Permissibility of Printable Guns"<<https://www.prindlepost.org/2018/07/debating-the-permissibility-of-printable-guns/>>, Those opposed to the settlement argue that it is deeply problematic that there are no background checks required for printing a gun. Convicted violent felons could print guns. People with a history of violent mental disorders could print guns. The government has a responsibility to look after the safety of its citizenry. Deadly weapons shouldn't fall into the wrong hands.

"We Have to Take a Stand on 3D Printed Guns"<<https://3dprint.com/220327/we-have-to-take-a-stand-on-3d-printed-guns/>>, You can already make guns in the US, you just need a license to distribute guns. The essential part of the "homebrew" gun was already perfectly possible. If they really wanted to 3D print guns they could have already done this. Instead, they wanted to 3D print attention and everyone fell for it. They went looking for a law suit to prolong the window of attention on them.

"Government Admits AR-15s Are Not Weapons of War"<<https://www.breitbart.com/big-government/2018/07/23/government-admits-ar-15s-not-weapons-war/>>, Wilson and SAF fought the suit on First Amendment grounds and secured a settlement with the State Department and the Department of Justice, the latter of which finalizes the settlement. The amended regulations proposed in the settlement show the government will no longer look at semi-automatic firearms below .50 caliber as "military equipment" or weapons of war.

"Make an AR-15 at home: 3D printed 'downloadable guns' available Aug. 1"<<https://www.usatoday.com/story/tech/nation-now/2018/07/23/3-d-printing-guns-downloadable-gun-legal-august-1/820032002/>>, A settlement earlier this year between the State Department and Texas-based Defense Distributed will let the nonprofit release blueprints for guns online starting Aug. 1, a development hailed by the group as the death of gun control in the United States.

"THE DANGERS OF 3D-PRINTED GUNS"<<https://giffords.org/2018/07/the-dangers-of-3d-printed-guns/>>, The Trump Administration's ruling will recklessly allow anyone to post their gun blueprints online for anyone to download. That means people who are unable to pass a background check-like terrorists, convicted felons, and domestic abusers-will be able to 3D-print a gun out of the same type of plastic used to make LEGOs-without any attached serial numbers. This could have severe repercussions a decade from now if we allow weapons of this kind to multiply.

"Email NOW: Stop the Threat of Downloadable Guns"<https://act.everytown.org/sign/stop-downloadable-guns/?source=twno_allsocial&refcode=twno_allsocial&utm_source=twno_allsocial&utm_medium=o&utm_campaign=alIsocial>, Do-it-yourself, downloadable guns are incredibly dangerous. And a State Department special exemption would allow a company run by a self-proclaimed anarchist to post its gun blueprints online in the form of files that can be sent directly to a 3D printer to print guns on demand.

"The US Just Made It Legal For Anyone to Download And Print Their Own Gun. Yes, Really"<<https://www.sciencealert.com/the-us-just-made-it-legal-for-anyone-to-download-and-print-their-own-gun-yes-really>>, The lawsuit turns on whether or not the first and second amendment, allowing freedom of speech and the right to bear arms, protects someone like Wilson, who wishes to provide downloadable gun blueprints to make deadly, untraceable weapons.

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/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, July 18, 2018 4:44 PM
To: Steffens, Jessica L; PM-Strategy
Cc: PM-CPA; Brown, Stanley L; O'Keefe, Kevin P; Miller, Michael F; Mak, Daniella; Martin, Davette T; Dudding, Maria; Litzenberger, Earle D (Lee); Nute, Kathryn M; McVerry, James
Subject: CPA Media Monitoring: 18 July 2018

[cid:image001.png@01D29279.128F6050]

Alerts for 18 July 2018

"United Accord 2018 kicks-off in Ghana"<<http://www.usaraf.army.mil/media-room/article/28821/united-accord-2018-kicks-off-in-ghana>>, The purpose of UA18 is to promote interoperability between US and partner forces and organizations, advance troop contributing countries capacity to support MINUSMA and similar operations, and increase exercise participants' abilities to execute MINUSMA sector headquarter tasks, while enhancing positive multilateral relationships.

"Will US Provoke China By Selling F-35 Fighter Jets To Taiwan?"<<https://eurasianimes.com/will-the-us-choke-china-further-by-selling-f-35-fighters-to-taiwan/>>, Some members of the US Congress are backing Taiwan to procure the F-35 b fighter jets from the US. The members of the US Congress as reported by The National Interest, are also arguing that if not the F-35 fighter jets then Washington must sell the F-16V to Taiwan.

"Turkey Protests US Effort to Block Sale of F-35 Fighters"<<https://www.voanews.com/a/turkey-protesting-us-effort-to-block-sale-of-f-35-fighters/4487967.html>>, Turkey's ambassador to Washington, Serdar Kilic, told VOA that if Congress eventually approves legislation now under consideration blocking the sale of more than 100 of the warplanes to Turkey, it could further impair contentious relations between the two NATO allies.

"Congress Can Help Stave Off New Humanitarian Disaster In Yemen"<<https://lobelog.com/congress-can-help-stave-off-new-humanitarian-disaster-in-yemen/>>, A sign of hope on this front is the recent move by Sen. Robert Menendez (R-NJ), the ranking Democrat on the Senate Foreign Relations Committee, to put a hold on a pending proposal to sell more bombs to Saudi Arabia and the UAE based on concerns over the human rights and humanitarian impacts of their Yemen intervention. Congress should be ready to block this new deal if it comes up for a vote to send a signal to its Gulf allies that the United States will no longer support their military efforts, and that it is time to negotiate in good faith.

"Trump's 'America First' Policy Could Leave U.S. Defense Industry Behind"<<https://foreignpolicy.com/2018/07/18/trumps-america-first-policy-could-leave-u-s-defense-industry-behind/>>, Meanwhile, traditional U.S. allies are increasingly wary of American military components. Several non-U.S. suppliers interviewed at Farnborough and at the Royal International Air Tattoo in Fairford noted that customers are increasingly ruling out components controlled by U.S. International Traffic in Arms Regulations (ITAR), which covers virtually all U.S. military subsystems. The problem is that a product with any ITAR-controlled components-for instance a missile's GPS system-can be sold only to countries approved by the U.S. government.

"The Quadrilateral Conundrum: Can ASEAN Be Persuaded? - Analysis"<<https://www.eurasiareview.com/18072018-the-quadrilateral-conundrum-can-asean-be-persuaded-analysis/>>, The revival of the 'Indo-Pacific' as a geostrategic region for the United States was perhaps less surprising than the revival of the Quadrilateral Security Dialogue, better known as the 'Quad', with Australia, India, Japan, and the US negotiating to restart the forum on the sidelines of the 2017 ASEAN Summit. The first Quad collapsed when China expressed opposition, and despite protestations that it was not a Chinese containment strategy, Australia dropped out.

"ReCAAP Report Highlights Decrease in

Piracy"<https://www.porttechnology.org/news/recaap_report_highlights_decrease_in_piracy>, According to a half-yearly report from ReCAAP's Information Sharing Centre (ISC), 40 incidents of piracy-related activity occurred between January and June of 2018. This total marks a 15% decrease in incidents from the same six-month period of 2017, and also represents the lowest January-June total in a decade.

"Iran-backed Houthis claim attack on Saudi oil refinery in Riyadh using drone"<https://www.haaretz.com/middle-east-news/iran-backed-houthis-claim-drone-attack-on-saudi-oil-refinery-in-riyadh-1.6290725?utm_source=dlvr.it&utm_medium=twitter>, The Iran-aligned Houthi movement in Yemen said on Wednesday that one of its drones had attacked the Saudi state oil company ARAMCO's refinery in Riyadh, according to Houthi-run al-Masira TV, based in Yemen.

"Selling U.S. aerospace overseas amid trade tensions * U.S. Air Force excited about U.K. space"<<https://spacenews.com/sn-military-space-selling-u-s-aerospace-overseas-amid-trade-tensions-%E2%80%A2-u-s-air-force-excited-about-u-k-space-%E2%80%A2-quantum-computing-as-space-weapon/>>, U.S. government officials at Farnborough are there to "reassure our companies that we have their back ... but also to reassure our partners that there is a strong purpose in acquiring these systems. It's to make us more interoperable, to give us a strong set of relationships that we can continue to nurture over time." Kaidanow insisted: "It's a long-term process. This is not a month-long set of issues. This is something we want to engage in for the long term."

"United States Trying to Entice Allies to Buy V-22

Osprey"<<http://www.nationaldefensemagazine.org/articles/2018/7/18/us-trying-to-entice-allies-to-buy-v-22-osprey>>, The United States has been in close communication with the United Kingdom about potentially acquiring the Osprey, he said. The U.K. is already buying the F-35 joint strike fighter, and the V-22 is the only platform that can fly the fighter's F-135 engine out to a ship, Kelly noted.

"Exclusive: U.S. offers India armed version of Guardian drone - sources"<<https://www.reuters.com/article/us-thailand-accident-cave/it-was-magical-thai-boys-relive-moment-of-discovery-by-divers-during-cave-ordeal-idUSKBN1K808Y>>, Among the changes will be a more lenient application by the U.S. government of an arms export principle known as "presumption of denial." This has impeded many drone deals by automatically denying approval unless a compelling security reason is given together with strict buyer agreements to use the weapons in accordance with international law.

"Philippines could breach US sanctions if Russian arms deal goes through:

report"<<http://thehill.com/policy/international/397626-philippines-could-breach-us-sanctions-if-russian-arms-deal-goes-through>>, The Philippines could find itself running afoul of U.S. sanctions if it goes through with an arms purchase from sanctioned Russian firm. Reuters reported on Wednesday that the Philippines had agreed in October to buy 750 RPG-7B rocket propelled grenade launchers from Rosoboronexport, Russia's state-run arms exporter.

"Nicaraguan forces violently retake symbolic city"<https://www.washingtonpost.com/world/the_americas/nicaraguan-forces-violently-retake-symbolic-city/2018/07/17/4fc4cf98-8a37-11e8-9d59-dccc2c0cabcf_story.html?utm_term=.20b8dc09d9ac>

, Nicaraguan police and armed pro-government civilians on Tuesday laid siege to and then retook a symbolically important neighborhood that had recently become a center of resistance to President Daniel Ortega's government.

"US pastor denied release in latest trial hearing in

Turkey"<<https://www.apnews.com/b7f88e7cfb8446df9cfa7c86f768b230/US-pastor-denied-release-in-latest-trial-hearing-in-Turkey>>, A Turkish court on Wednesday again denied a request for the release from custody of an American pastor based in Turkey who is on trial on charges of aiding terror groups and engaging espionage.

"Rights Groups Concerned Egypt's Military Using Counterterrorism to Target

Dissidents"<<https://www.voanews.com/a/Egypt-counterterrorism/4487444.html>>, Global rights group International

Service for Human Right also leveled accusations at the Egyptian government for relying on torture, arbitrary detention, and enforced disappearances as a tool to silence and incarcerate its critics.

"Noises in US may drown relief hopes on S-400 deal"<<https://economictimes.indiatimes.com/news/defence/noises-in-us-may-drown-relief-hopes-on-s-400-deal/articleshow/65033657.cms>>, For its own security considerations, India cannot permit any third country to determine the nature of its cooperation with Russia. Any US sanctions on this count would only reinforce perceptions in India about lack of proven ability of US as a reliable partner.

"Meet the man who might have brought on the age of 'downloadable guns'"<https://www.washingtonpost.com/news/post-nation/wp/2018/07/18/meet-the-man-who-wants-to-bring-on-the-age-of-downloadable-guns-and-may-have-already-succeeded/?utm_term=.f57ef3f88e04>, A State Department spokesman, however, told The Washington Post that this was a voluntary settlement agreed upon by both parties. The June 29 settlement, a copy of which was given to The Post, comes during a transfer of oversight from the State Department to the Department of Commerce.

"Intl. support plays important role in development, strengthening of Ukraine's National Guard"<<https://en.interfax.com.ua/news/general/519022.html>>, Commander of the NGU, Colonel-General Yuriy Alerov noted that international assistance, including advisory assistance, plays an important role. NGU has been working closely with the National Guard of California for more than 25 years. Today, representatives of both law enforcement agencies are actively participating in the work of the National Guard subcommittee in the multinational joint coordinating committee, the platform where issues of assistance to Ukraine are resolved.

"Blueprints for 3D printed guns to again appear online"<<https://www.cnet.com/news/blueprints-for-3d-printed-guns-to-again-appear-online/>>, The State Department oversees the exports of defense products in accordance with the ITAR, which was why the department had the run-in with Defense Distributed, according to a State Department spokesperson. Since the Department of Commerce will take over the responsibility of regulating commercial arms trade and manufacturing, the State Department settled with Defense Distributed and SAF because the issues raised in the lawsuit won't be relevant to it in the near future.

"Belgium offered sweetener to pick up Eurofighter"<<https://www.euractiv.com/section/defence-and-security/news/belgium-offered-sweetener-to-pick-up-eurofighter/>>, Belgium is being offered a possible role in future European combat jet developments if it picks the Eurofighter Typhoon over the US-built F-35, in a fierce contest to rearm the country's air force, a senior official with Britain's BAE Systems said.

"Interesting Army purchase of Sig Sauer weapons has some mystery: Where's it going?"<<https://www.armytimes.com/news/your-army/2018/07/16/interesting-army-purchase-of-sig-sauer-weapons-has-some-mystery-wheres-it-going/>>, When reached for comment, officials with Program Executive Office Soldier responded that the sale was part of the service's Foreign Military Sales program and that they could not disclose further details about the destination of the firearms suite.

"What Buhari has done on killings, by Presidency"<<http://thenationonlineng.net/what-buhari-has-done-on-killings-by-presidency/>>, "As killings occur on a daily basis, Buhari made a move in April to procure more weapons to fight insecurity but the senate turned down the request. "National Assembly made so much fuss about Buhari's request for \$1 billion from the Consolidated Revenue Fund, threatening to impeach him for approving its release without its consent."

"Romania Inches Forward On Major Attack Helo Deal"<https://breakingdefense.com/2018/07/romania-inches-to-major-attack-helo-deal/?_ga=2.80160855.1784771759.1531911303-1619794010.1531911303>, Romania continues its push to significantly improve its military by buying advanced U.S.-made equipment with plans to buy 21 Bell UH-1Y Venom and 24 AH-1Z Viper helicopters, The central European country has issued a letter of request for the helos.

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e-mail: MarquisMR@state.gov<mailto:MarquisMR@state.gov> | Web: www.state.gov/t/pm
<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Paul, Joshua M <PaulJM@state.gov>
Sent: Wednesday, July 25, 2018 6:03 PM
To: Kaidanow, Tina S
Cc: Miller, Michael F; Heidema, Sarah J; PM-CPA; Carter, Rachel; Steffens, Jessica L; Hart, Robert L; Litzenberger, Earle D (Lee)
Subject: RE: DD Settlement: Cong/Pub State of Play

Final update (hopefully) for the evening, now that the S Hearing is over - here's Bill Nelson on the floor of the US Senate, pledging to fight "tooth and nail."

<https://twitter.com/SenBillNelson/status/1022239621621706753>

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 5:18 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov>
Cc: Miller, Michael F <MillerMF@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>; PM-CPA <PM-CPA@state.gov>; Carter, Rachel <CarterR@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Hart, Robert L <HartRL@state.gov>; Litzenberger, Earle D (Lee) <LitzenbergerED@state.gov>
Subject: RE: DD Settlement: Cong/Pub State of Play

By way of a late breaking update, Dave just received the following from a media source - Los Angeles and the Manhattan DA are stepping into the issue, though it does not seem they are taking any legal actions.

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For Immediate Release

July 25, 2018

PAGV CO-CHAIRS TO STATE DEPARTMENT: BLOCK RELEASE OF DOWNLOADABLE BLUEPRINTS FOR DO-IT-YOURSELF, 3D-PRINTED GUNS

Los Angeles, CA and New York, NY : Los Angeles City Attorney Mike Feuer and Manhattan District Attorney Cyrus Vance, Jr., co-chairs of Prosecutors Against Gun Violence, today released the following joint statement urging the U.S. State Department to block the online release of blueprints for do-it-yourself, 3D-printed guns:

"In a matter of days, the State Department is preparing to allow unlimited online access to schematic designs that enable 3D printing of untraceable guns. In a complete reversal of longstanding regulatory oversight, the State Department has decided to provide a special exemption to a private company, Defense Distributed, to post its gun blueprints online.

"No one is safer if criminals can print untraceable guns on demand. Allowing this exemption from federal rules would be an unconscionable mistake, making it all-too-easy for anyone with a dangerous history - including terrorists and domestic abusers who cannot pass a background check - to download files and print a functional gun with 3D printers available to any consumer. This decision undermines the critical public safety laws that prosecutors enforce day in and day out.

"Invisible to metal detectors, these plastic guns could easily be smuggled onto airplanes, and into concerts, festivals, and government buildings. Untraceable, they would undermine the work of law enforcement by crippling criminal investigations before they even began. The State Department must not allow this company to have a special exemption to these rules. These blueprints should not be published under any circumstances."

-30-

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 5:01 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov<mailto:KaidanowTS@state.gov>>
Cc: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Carter, Rachel <CarterR@state.gov<mailto:CarterR@state.gov>>; Steffens, Jessica L <SteffensJL@state.gov<mailto:SteffensJL@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>; Litzenberger, Earle D (Lee) <LitzenbergerED@state.gov<mailto:LitzenbergerED@state.gov>>
Subject: DD Settlement: Cong/Pub State of Play

Dear AMB Kaidanow,

This email provides a summary of today's Congressional and public interest in the pending Defense Distributed settlement.

Congressional

* SEN Menendez raised the settlement in his opening statement at S's Hearing, and SEN Markey posed a question on it to S during that hearing.

o CPA, DDTC and L/PM had fortunately cobbled together immediately before the Hearing a contingency bullet for S to use (attached). In the event, he told SEN Markey he'd "take a look at it". The Hearing remains ongoing at this hour.

* We have prepared a response to REP Engel's letter to S, which is on its way through you for clearance. We hope to provide the response in advance of tomorrow's signing of the Settlement letter.

* In addition, SEN Menendez issued a statement<<https://www.foreign.senate.gov/press/ranking/release/menendez-calls-on-secretary-pompeo-to-stop-online-posting-of-do-it-yourself-3-d-printable-gun-blueprints>> calling on S to "intervene and review" the settlement (he followed this up with a letter at 4.50pm), while Senators Nelson, Markey, Murphy, Blumenthal and Feinstein co-signed a letter<<https://twitter.com/SenBillNelson/status/1022130836664188928>> on the topic to the Attorney General.

* We also continue to receive clarifying questions from SFRC and HFAC staff subsequent to yesterday's briefing.

Public

* Media continues to pick up on this story; highlights today include an entire 45-minute segment of NPR's On Point dedicated<<http://www.wbur.org/onpoint/2018/07/25/3d-printing-gun-control>> to the topic, as well as expanding international media coverage.

* We understand that DDTC has received a large volume of calls and emails from the public in addition to the more formal media inquiries that CPA has been dealing with, and in addition to the automated outreach DDTC has encountered.

* Gun Control NGOs including the Brady Campaign, Giffords, Everytown, and Moms Demand Action have been highlighting the issue on social media in advance of the injunction they intend to submit tomorrow, and a petition on Change.org<https://www.change.org/p/stop-defense-distributed-from-releasing-downloadable-guns?recruiter=468357426&utm_source=share_petition&utm_medium=twitter&utm_campaign=psf_combo_share_initial...x7ixMjQ4TdqaDwV2_2_9Aw.3.rdHZAbL2TQyyB23KwLDCiQ.1&utm_term=385679> has garnered almost 30,000 signatures, most of them today.

* A summary of today's press reporting on the topic is attached, and the Google Trends chart for worldwide searches on 3D guns is as follows:

[cid:image009.png@01D4243B.2D4AE360]

Thanks,

Josh

Josh Paul

Director, Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

* Phone: 202.647.7878 | * BlackBerry: 202.679.6724 | 7 Fax: 202.647.4055

* e-mail: PaulJM@State.Gov<<mailto:PaulJM@State.Gov>> | * Web: www.state.gov/t/pm
<<http://www.state.gov/t/pm%20/>>

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Plus]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

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From: Paul, Joshua M <PaulJM@state.gov>
Sent: Wednesday, July 25, 2018 5:18 PM
To: Kaidanow, Tina S
Cc: Miller, Michael F; Heidema, Sarah J; PM-CPA; Carter, Rachel; Steffens, Jessica L; Hart, Robert L; Litzenberger, Earle D (Lee)
Subject: RE: DD Settlement: Cong/Pub State of Play

By way of a late breaking update, Dave just received the following from a media source - Los Angeles and the Manhattan DA are stepping into the issue, though it does not seem they are taking any legal actions.

[cid:image001.png@01D4243B.68E5AD60]

For Immediate Release

July 25, 2018

PAGV CO-CHAIRS TO STATE DEPARTMENT: BLOCK RELEASE OF DOWNLOADABLE BLUEPRINTS FOR DO-IT-YOURSELF, 3D-PRINTED GUNS

Los Angeles, CA and New York, NY : Los Angeles City Attorney Mike Feuer and Manhattan District Attorney Cyrus Vance, Jr., co-chairs of Prosecutors Against Gun Violence, today released the following joint statement urging the U.S. State Department to block the online release of blueprints for do-it-yourself, 3D-printed guns:

"In a matter of days, the State Department is preparing to allow unlimited online access to schematic designs that enable 3D printing of untraceable guns. In a complete reversal of longstanding regulatory oversight, the State Department has decided to provide a special exemption to a private company, Defense Distributed, to post its gun blueprints online.

"No one is safer if criminals can print untraceable guns on demand. Allowing this exemption from federal rules would be an unconscionable mistake, making it all-too-easy for anyone with a dangerous history - including terrorists and domestic abusers who cannot pass a background check - to download files and print a functional gun with 3D printers available to any consumer. This decision undermines the critical public safety laws that prosecutors enforce day in and day out.

"Invisible to metal detectors, these plastic guns could easily be smuggled onto airplanes, and into concerts, festivals, and government buildings. Untraceable, they would undermine the work of law enforcement by crippling criminal investigations before they even began. The State Department must not allow this company to have a special exemption to these rules. These blueprints should not be published under any circumstances."

-30-

Official - SBU
UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 5:01 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov>

Cc: Miller, Michael F <Millermf@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>; PM-CPA <PM-CPA@state.gov>; Carter, Rachel <CarterR@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Hart, Robert L <HartRL@state.gov>; Litzenberger, Earle D (Lee) <LitzenbergerED@state.gov>
Subject: DD Settlement: Cong/Pub State of Play

Dear AMB Kaidanow,

This email provides a summary of today's Congressional and public interest in the pending Defense Distributed settlement.

Congressional

* SEN Menendez raised the settlement in his opening statement at S's Hearing, and SEN Markey posed a question on it to S during that hearing.

o CPA, DDTC and L/PM had fortunately cobbled together immediately before the Hearing a contingency bullet for S to use (attached). In the event, he told SEN Markey he'd "take a look at it". The Hearing remains ongoing at this hour.

* We have prepared a response to REP Engel's letter to S, which is on its way through you for clearance. We hope to provide the response in advance of tomorrow's signing of the Settlement letter.

* In addition, SEN Menendez issued a statement<<https://www.foreign.senate.gov/press/ranking/release/menendez-calls-on-secretary-pompeo-to-stop-online-posting-of-do-it-yourself-3-d-printable-gun-blueprints>> calling on S to "intervene and review" the settlement (he followed this up with a letter at 4.50pm), while Senators Nelson, Markey, Murphy, Blumenthal and Feinstein co-signed a letter<<https://twitter.com/SenBillNelson/status/1022130836664188928>> on the topic to the Attorney General.

* We also continue to receive clarifying questions from SFRC and HFAC staff subsequent to yesterday's briefing.

Public

* Media continues to pick up on this story; highlights today include an entire 45-minute segment of NPR's On Point dedicated<<http://www.wbur.org/onpoint/2018/07/25/3d-printing-gun-control>> to the topic, as well as expanding international media coverage.

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Thanks,

Josh

Josh Paul

Director, Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

* Phone: 202.647.7878 | * BlackBerry: 202.679.6724 | 7 Fax: 202.647.4055

* e-mail: PaulJM@State.Gov<mailto:PaulJM@State.Gov> | * Web: www.state.gov/t/pm
/<<http://www.state.gov/t/pm%20/>>

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Plus]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

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Official - SBU
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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, July 25, 2018 4:45 PM
To: Steffens, Jessica L; PM-Strategy
Cc: PM-CPA; Brown, Stanley L; O'Keefe, Kevin P; Miller, Michael F; Mak, Daniella; Martin, Davette T; Dudding, Maria; Litzenberger, Earle D (Lee); Nute, Kathryn M; McVerry, James
Subject: CPA Media Monitoring: 25 July 2018

[cid:image001.png@01D29279.128F6050]
Alerts for 25 July 2018

"State Dept. official met with Taliban to kick-start Afghanistan peace talks: report" <<http://thehill.com/policy/national-security/398861-state-dept-official-met-with-taliban-to-discuss-afghanistan-peace>>, Alice Wells, the deputy assistant secretary of State for South and Central Asia, led a U.S. delegation to Doha, Qatar, where they met with members of the Taliban's political commission, the Journal reported.

"Security Expert on 3D Guns: 'More of a Novelty than Form of Mass Killing'" <<https://sputniknews.com/analysis/201807251066659134-3d-guns-novelty-leading-security-explained/>>, Gun rights activists in the United States will soon be able to post 3D printable gun plans online. In 2013, Cody Wilson, who describes himself as a post-left anarchist, posted plans for a 3D printed handgun called "The Liberator." The gun, which was made from plastic, had a metal firing pin and another piece of metal included to comply with the Undetectable Firearms Act.

"The Case for a Free and Open Indo-Pacific" <<https://thewire.in/diplomacy/free-and-open-indo-pacific-donald-trump-foreign-policy>>, It is hard, however, to see that FOIP will destabilise Asia, as Michael D. Swaine argues. The the region is, after all, already unstable, thanks to Beijing's over-confident assertiveness, more than a decade of mixed messaging and half-hearted action from Washington, and 18 months of Trump's fickle and foolish personal diplomacy. It is not obvious that FOIP will make matters markedly worse, if it does indeed have an impact on the US's approach to the region, and there is reason to think it might make them better.

"Editorial: Homemade 3-D printer guns should be regulated like any gun" <https://www.mystatesman.com/news/opinion/editorial-homemade-printer-guns-should-regulated-like-any-gun/j1wX4RxD8SOVfLz0SHXTVM/?utm_source=SN&utm_medium=Twitter&utm_campaign=mys>, Federal law allows hobbyists to build their own guns for personal use. But the landscape has changed with 3-D printers, precise digital plans, and devices like the Ghost Gunner that allow anyone with a computer and a credit card to become a gun manufacturer.

"Pentagon Awards \$300Mln to Deliver Javelin Missiles to Ukraine, 5 Other States" <<https://sputniknews.com/military/201807251066660034-pentagon-sells-javelin-missiles-ukraine/>>, The US Army has awarded a \$307 million Foreign Military Sales contract to Raytheon to supply more Javelin anti-tank missiles to Ukraine, Estonia and Lithuania as well as to Australia, Turkey and Taiwan, the Department of Defense said in a press release.

"WORLD WAR 3D How the rise of 'ghost guns' - which anyone can print in their own home - could flood Europe with lethal, undetectable weapons" <<https://www.thesun.co.uk/news/6850692/ghost-guns-3d-print/>>, Normally, Americans would need to pass a background check before they can buy a gun, but freely-available blueprints for 3D-printed weapons could offer a way to bypass this law.

"What You Need to Know About the 3D Printing of Guns on Demand"<<http://www.bradycampaign.org/blog/what-you-need-to-know-about-the-3d-printing-of-guns-on-demand>>, While Brady's legal team has filed Freedom of Information Act (FOIA) requests to find out how and why this decision was made, the self-proclaimed "crypto-anarchist" will move forward to publish the blueprints for anyone and everyone to use. The Brady Center, along with Everytown and Giffords, is urging a Texas federal court to consider just how dangerous this could be and will be filing legal action.

"LEADING GUN SAFETY GROUPS TELL FEDERAL COURT THAT SETTLEMENT IN DOWNLOADABLE GUNS LAWSUIT IS DANGEROUS AND ILLEGAL"<<https://giffords.org/2018/07/3d-guns-law-center-group-letter/>>, Attorneys representing the Giffords Law Center to Prevent Gun Violence, Brady Center to Prevent Gun Violence and Everytown for Gun Safety have informed a Texas federal court that they anticipate filing legal action within days related to a settlement that would allow new designs for downloadable, untraceable guns to become public and available world-wide as early as August 1.

"MENENDEZ CALLS ON SECRETARY POMPEO TO STOP ONLINE POSTING OF DO-IT-YOURSELF, 3-D PRINTABLE GUN BLUEPRINTS"<<https://www.foreign.senate.gov/press/ranking/release/menendez-calls-on-secretary-pompeo-to-stop-online-posting-of-do-it-yourself-3-d-printable-gun-blueprints>>, U.S. Senator Bob Menendez, Ranking Member of the Senate Foreign Relations Committee, today called on U.S. Secretary of State Mike Pompeo to immediately intervene and review the surprising and sudden decision by his department to allow online public posting of 3-D printable gun blueprints in the next few days.

"Debating the Permissibility of Printable Guns"<<https://www.prindlepost.org/2018/07/debating-the-permissibility-of-printable-guns/>>, Those opposed to the settlement argue that it is deeply problematic that there are no background checks required for printing a gun. Convicted violent felons could print guns. People with a history of violent mental disorders could print guns. The government has a responsibility to look after the safety of its citizenry. Deadly weapons shouldn't fall into the wrong hands.

"We Have to Take a Stand on 3D Printed Guns"<<https://3dprint.com/220327/we-have-to-take-a-stand-on-3d-printed-guns/>>, You can already make guns in the US, you just need a license to distribute guns. The essential part of the "homebrew" gun was already perfectly possible. If they really wanted to 3D print guns they could have already done this. Instead, they wanted to 3D print attention and everyone fell for it. They went looking for a law suit to prolong the window of attention on them.

"Houthi rebels attack Saudi tanker in Red Sea: Coalition"<<https://www.khaleejtimes.com/region/saudi-arabia/houthi-rebels-attack-saudi-tanker-in-red-sea-coalition>>, Houthi rebels have attacked a Saudi oil tanker in the Red Sea, causing "minor damage" to the vessel, the Saudi-led Coalition said on Wednesday.

"Final US defence spending Bill expands pushback against China"<<https://www.straitstimes.com/asia/east-asia/final-us-defence-spending-bill-expands-pushback-against-china>>, Specifically, it calls for the Pentagon to adopt a more proactive role in assessing and strengthening Taiwan's ability to resist an invasion from China, which sees the democratically run island as a province.

"Government Admits AR-15s Are Not Weapons of War"<<https://www.breitbart.com/big-government/2018/07/23/government-admits-ar-15s-not-weapons-war/>>, Wilson and SAF fought the suit on First Amendment grounds and secured a settlement with the State Department and the Department of Justice, the latter of which finalizes the settlement. The amended regulations proposed in the settlement show the government will no longer look at semi-automatic firearms below .50 caliber as "military equipment" or weapons of war.

"Make an AR-15 at home: 3D printed 'downloadable guns' available Aug. 1"<<https://www.usatoday.com/story/tech/nation-now/2018/07/23/3-d-printing-guns-downloadable-gun-legal-august-1/820032002/>>, A settlement earlier this year between the State Department and Texas-based Defense Distributed will let the nonprofit release blueprints for guns online starting Aug. 1, a development hailed by the group as the death of gun control in the United States.

"THE DANGERS OF 3D-PRINTED GUNS"<<https://giffords.org/2018/07/the-dangers-of-3d-printed-guns/>>, The Trump Administration's ruling will recklessly allow anyone to post their gun blueprints online for anyone to download. That means people who are unable to pass a background check-like terrorists, convicted felons, and domestic abusers-will be able to 3D-print a gun out of the same type of plastic used to make LEGOs-without any attached serial numbers. This could have severe repercussions a decade from now if we allow weapons of this kind to multiply.

"Anglophone Revolt Seen Raising Risk of Civil War in Cameroon"<<https://www.bloomberg.com/news/articles/2018-07-24/anglophone-rebellion-seen-raising-risk-of-civil-war-in-cameroon>>, Advocacy groups including Human Rights Watch have said the government's heavy-handed response contributed to an escalation of the conflict. Last week, the New York-based organization released satellite imagery showing security forces had torched dozens of villages, and accused them of committing torture and summary executions.

"800 US soldiers in Ghana for jungle warfare training at Achiase"<<https://www.ghanaweb.com/GhanaHomePage/NewsArchive/800-US-soldiers-in-Ghana-for-jungle-warfare-training-at-Achiase-671636>>, Mr Jackson said although the partnership was in full force there was no indication of an American military base as was feared and became the subject of heated discussions in the country when the US, Ghana Defense Cooperation Agreement came to light earlier this year as it was presented to Parliament for ratification.

"US to release \$195 mln of suspended military aid to Cairo shortly: Sources"<<http://english.ahram.org.eg/NewsContent/1/64/308495/Egypt/Politics-/US-to-release--mln-of-suspended-military-aid-to-Ca.aspx>>, The United States will shortly release some military aid to Cairo it had suspended last year following talks with an Egyptian military delegation currently visiting Washington, sources close to the delegation told Ahram Online on Wednesday.

"UAE talks up diplomacy as Congress curtails US involvement in Yemen war"<<http://www.al-monitor.com/pulse/originals/2018/07/uae-diplomacy-congress-curtail-involvement-yemen-war.html#ixzz5MGy9YPs3>>, The conference report specifically demands that the Pentagon tell Congress whether US or Arab coalition forces violated federal law or Pentagon policy, while another provision restricts US refueling for the Yemen campaign unless the UAE and Saudi Arabia demonstrate efforts to support UN-backed peace talks, resolve the growing humanitarian crisis and cut down on civilian deaths.

"An Indo-Pacific Joint Multinational Training Command and Readiness Center?"<https://www.realcleardefense.com/articles/2018/07/25/an_indo-pacific_joint_multinational_training_command_and_readiness_center_113648.html>, Given the absence of a 'permanent' institution to plan Joint, Interagency, and Multinational (JIM) exercises, train personnel (professional military education (PME), conduct mission rehearsal exercises, as well as serving as a venue for developing joint/combined doctrine, standard operating procedures (SOPs) and tactics, techniques, and procedures (TTP) etc.: 1) could one be created, modelled conceptually on the North Atlantic Treaty Organization's (NATO) JMRC, and 2) would it disrupt/delay/reverse the improvements in interoperability already taking place?

"Bulgaria issues request for proposals for fighter jets"<https://www.reuters.com/article/us-bulgaria-defence-jets/bulgaria-issues-request-for-proposals-for-fighter-jets-idUSKBN1KF10W?utm_source=Sailthru&utm_medium=email&utm_campaign=EBB%207.25.18&utm_term=Editorial%20-%20Early%20Bird%20Brief>, The ministry has called for bids for new or used jets from the United States (F-16 and F/A-18 Super Hornet), France (Dassault Rafale) and Sweden (Gripen C/D) as well as new jets from Germany (Eurofighter 3 Tranche) and used planes from Portugal (F-16), Israel (F-16) and Italy (Eurofighter Tranche 1).

"U.S. pastor on trial in Turkey moved to house arrest - CNN Turk"<<http://news.trust.org/item/20180725115326-quxh0/>>, An American pastor on trial in Turkey on terrorism charges has been moved to house arrest, broadcaster CNN Turk said on Wednesday, a week after a court decided to keep him in jail in a case which has caused a rift with the United States.

"Email NOW: Stop the Threat of Downloadable Guns"<https://act.everytown.org/sign/stop-downloadable-guns/?source=twno_allsocial&refcode=twno_allsocial&utm_source=twno_allsocial&utm_medium=o&utm_campaign=alIsocial>, Do-it-yourself, downloadable guns are incredibly dangerous. And a State Department special exemption would allow a company run by a self-proclaimed anarchist to post its gun blueprints online in the form of files that can be sent directly to a 3D printer to print guns on demand.

"The US Just Made It Legal For Anyone to Download And Print Their Own Gun. Yes, Really"<<https://www.sciencealert.com/the-us-just-made-it-legal-for-anyone-to-download-and-print-their-own-gun-yes-really>>, The lawsuit turns on whether or not the first and second amendment, allowing freedom of speech and the right to bear arms, protects someone like Wilson, who wishes to provide downloadable gun blueprints to make deadly, untraceable weapons.

"India finalising negotiations for 48 additional Mi-17-V5 helicopters from Russia"<http://www.janes.com/article/81928/india-finalising-negotiations-for-48-additional-mi-17-v5-helicopters-from-russia?utm_campaign=CL_%20Jane%27s%20360-July-25-2018_PC5308_e-production_E-13321_KP_0725_0615&utm_medium=email&utm_source=Eloqua>, Official Indian sources told Jane's on 23 July that the deal for the twin-engine helicopters - 38 of which are earmarked for the IAF - is likely to be signed during Russian President Vladimir Putin's visit to India in early October for the annual bilateral summit between the leaders of the two countries.

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

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SETTLEMENT AGREEMENT

Defense Distributed (“DD”), Second Amendment Foundation, Inc. (“SAF”), and Conn Williamson (collectively, “Plaintiffs,”) and the United States Department of State (“State”), the Secretary of State, the Directorate of Defense Trade Controls (“DDTC”), the Deputy Assistant Secretary, Defense Trade Controls, and the Director, Office of Defense Trade Controls Policy (collectively, “Defendants”), out of a mutual desire to resolve all of the claims in the case captioned *Defense Distributed, et al. v. Dep’t of State, et al.*, Case No. 15-cv-372-RP (W.D. Tex.) (the “Action”) without the need for further litigation and without any admission of liability, hereby stipulate and agree as follows:

Plaintiffs and Defendants do hereby settle all claims, issues, complaints, or actions described in the case captioned, and any and all other claims, complaints, or issues that have been or could have been asserted by Plaintiffs against Defendants in accordance with the following terms and conditions:

1. *Consideration:* In consideration of Plaintiffs’ agreement to dismiss the claims in the Action with prejudice as described in paragraph 2, below, Defendants agree to the following, in accordance with the definitions set forth in paragraph 12, below:

- (a) Defendants’ commitment to draft and to fully pursue, to the extent authorized by law (including the Administrative Procedure Act), the publication in the Federal Register of a notice of proposed rulemaking and final rule, revising USML Category I to exclude the technical data that is the subject of the Action.
- (b) Defendants’ announcement, while the above-referenced final rule is in development, of a temporary modification, consistent with the International

Traffic in Arms Regulations (ITAR), 22 C.F.R. § 126.2, of USML Category I to exclude the technical data that is the subject of the Action. The announcement will appear on the DDTC website, www.pmdtc.state.gov, on or before July 27, 2018.

- (c) Defendants' issuance of a letter to Plaintiffs on or before July 27, 2018, signed by the Deputy Assistant Secretary for Defense Trade Controls, advising that the Published Files, Ghost Gunner Files, and CAD Files are approved for public release (i.e., unlimited distribution) in any form and are exempt from the export licensing requirements of the ITAR because they satisfy the criteria of 22 C.F.R. § 125.4(b)(13). For the purposes of 22 C.F.R. § 125.4(b)(13) the Department of State is the cognizant U.S. Government department or agency, and the Directorate of Defense Trade Controls has delegated authority to issue this approval.
- (d) Defendants' acknowledgment and agreement that the temporary modification of USML Category I permits any United States person, to include DD's customers and SAF's members, to access, discuss, use, reproduce, or otherwise benefit from the technical data that is the subject of the Action, and that the letter to Plaintiffs permits any such person to access, discuss, use, reproduce or otherwise benefit from the Published Files, Ghost Gunner Files, and CAD Files.
- (e) Payment in the amount of \$39,581.00. This figure is inclusive of any interest and is the only payment that will be made to Plaintiffs or their counsel by Defendants under this Settlement Agreement. Plaintiffs' counsel will provide Defendants'

counsel with all information necessary to effectuate this payment.

The items set forth in subparagraphs (a) through (e) above constitute all relief to be provided in settlement of the Action, including all damages or other monetary relief, equitable relief, declaratory relief, or relief of any form, including but not limited to, attorneys' fees, costs, and/or relief recoverable pursuant to 2 U.S.C. § 1302, 2 U.S.C. § 1311, 2 U.S.C. § 1317, 22 U.S.C. § 6432b(g), 28 U.S.C. § 1920, Fed. R. Civ. P. 54(d), and the Local Rules.

2. *Dismissal with Prejudice:* At the time of the execution of this Settlement Agreement, Plaintiffs agree to have their counsel execute and provide to Defendants' counsel an original Stipulation for Dismissal with Prejudice pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii) and 41(a)(1)(B). Counsel for Defendants agree to execute the stipulation and file it with the Court in the Action, no sooner than 5 business days after the publication of the announcement described in Paragraph 1(b) of this Settlement Agreement and issuance of the letter described in Paragraph 1(c) of this Settlement Agreement. A copy of the Stipulation for Dismissal with Prejudice is attached hereto.
3. *Release:* Plaintiffs, for themselves and their administrators, heirs, representatives, successors, or assigns, hereby waive, release and forever discharge Defendants, and all of their components, offices or establishments, and any officers, employees, agents, or successors of any such components, offices or establishments, either in their official or

individual capacities, from any and all claims, demands and causes of action of every kind, nature or description, whether currently known or unknown, which Plaintiffs may have had, may now have, or may hereafter discover that were or could have been raised in the Action.

4. *No Admission of Liability:* This Settlement Agreement is not and shall not be construed as an admission by Defendants of the truth of any allegation or the validity of any claim asserted in the Action, or of Defendants' liability therein. Nor is it a concession or an admission of any fault or omission in any act or failure to act. Nor is it a concession or admission as to whether the monetary or equitable relief, attorneys' fees, costs, and expenses sought by Plaintiffs in the Action, are reasonable or appropriate. None of the terms of the Settlement Agreement may be offered or received in evidence or in any way referred to in any civil, criminal, or administrative action other than proceedings permitted by law, if any, that may be necessary to consummate or enforce this Settlement Agreement. The terms of this Settlement Agreement shall not be construed as an admission by Defendants that the consideration to be given hereunder represents the relief that could be recovered after trial. Defendants deny that they engaged in *ultra vires* actions, deny that they violated the First Amendment, Second Amendment, or Fifth Amendment of the United States Constitution, and maintain that all of the actions taken by Defendants with respect to Plaintiffs comply fully with the law, including the United States Constitution.

5. *Merger Clause:* The terms of this Settlement Agreement constitute the entire agreement of Plaintiffs and Defendants entered into in good faith, and no statement, remark, agreement or understanding, oral or written, which is not contained therein, shall be recognized or enforced. Plaintiffs acknowledge and agree that no promise or representation not contained in this Settlement Agreement has been made to them and they acknowledge and represent that this Settlement Agreement contains the entire understanding between Plaintiffs and Defendants and contains all terms and conditions pertaining to the compromise and settlement of the disputes referenced herein. Nor does the Parties' agreement to this Settlement Agreement reflect any agreed-upon purpose other than the desire of the Parties to reach a full and final conclusion of the Action, and to resolve the Action without the time and expense of further litigation.
6. *Amendments:* This Settlement Agreement cannot be modified or amended except by an instrument in writing, agreed to and signed by the Parties, nor shall any provision hereof be waived other than by a written waiver, signed by the Parties.
7. *Binding Successors:* This Settlement Agreement shall be binding upon and inure to the benefit of Plaintiffs and Defendants, and their respective heirs, executors, successors, assigns and personal representatives, including any persons, entities, departments or agencies succeeding to the interests or obligations of the Parties.

8. *Consultation with Counsel:* Plaintiffs acknowledges that they have discussed this Settlement Agreement with their counsel, who has explained these documents to them and that they understand all of the terms and conditions of this Settlement Agreement. Plaintiffs further acknowledge that they have read this Settlement Agreement, understand the contents thereof, and execute this Settlement Agreement of their own free act and deed. The undersigned represent that they are fully authorized to enter into this Settlement Agreement.
9. *Execution:* This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument, and photographic copies of such signed counterparts may be used in lieu of the original.
10. *Jointly Drafted Agreement:* This Settlement Agreement shall be considered a jointly drafted agreement and shall not be construed against any party as the drafter.
11. *Tax and Other Consequences:* Compliance with all applicable federal, state, and local tax requirements shall be the sole responsibility of Plaintiffs and their counsel. Plaintiffs and Defendants agree that nothing in this Settlement Agreement waives or modifies federal, state, or local law pertaining to taxes, offsets, levies, and liens that may apply to this

Settlement Agreement or the settlement proceeds, and that Plaintiffs are executing this Settlement Agreement without reliance on any representation by Defendants as to the application of any such law.

12. *Definitions:* As used in this Settlement Agreement, certain terms are defined as follows:

- The phrase “*Published Files*” means the files described in paragraph 25 of Plaintiffs’ Second Amended Complaint.
- The phrase “*Ghost Gunner Files*” means the files described in paragraph 36 of Plaintiffs’ Second Amended Complaint.
- The phrase “*CAD Files*” means the files described in paragraph 40 of Plaintiffs’ Second Amended Complaint.
- The phrase “*Other Files*” means the files described in paragraphs 44-45 of Plaintiffs’ Second Amended Complaint.
- The phrase “*Military Equipment*” means (1) Drum and other magazines for firearms to .50 caliber (12.7 mm) inclusive with a capacity greater than 50 rounds, regardless of jurisdiction of the firearm, and specially designed parts and components therefor; (2) Parts and components specially designed for conversion of a semi-automatic firearm to a fully automatic firearm; (3) Accessories or attachments specially designed to automatically stabilize aim (other than gun rests) or for automatic targeting, and specially designed parts and components therefor.
- The phrase “*technical data that is the subject of the Action*” means: (1) the Published Files; (2) the Ghost Gunner Files; (3) the CAD Files; and (4) the Other Files insofar as those files regard items exclusively: (a) in Category I(a) of the United States Munitions List (USML), as well as barrels and receivers covered by Category I(g) of the USML that are components of such items; or (b) items

covered by Category I(h) of the USML solely by reference to Category I(a),
excluding Military Equipment.

Dated: _____, 2018

Dated: June 29, 2018



Matthew A. Goldstein
Snell & Wilmer LLP
One South Church Ave. Ste. 1500
Tucson, Arizona 85701
Counsel for Plaintiffs

Dated: _____, 2018

Eric J. Soskin
Stuart J. Robinson
United States Department of Justice
Civil Division, Federal Programs Branch
20 Massachusetts Ave., N.W.
Washington, D.C. 20001
Tel. (202) 353-0533

Counsel for Defendants

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

DEFENSE DISTRIBUTED, et al.,
Plaintiffs,

v.

U.S. DEPARTMENT OF STATE, et al.,
Defendants.

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§


No. 1:15-cv-372-RP

STIPULATION OF DISMISSAL WITH PREJUDICE

Pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii) and 41(a)(1)(B), and a settlement agreement among Plaintiffs (Defense Distributed, Second Amendment Foundation, Inc., and Conn Williamson) and Defendants (the United States Department of State, the Secretary of State, the Directorate of Defense Trade Controls, the Deputy Assistant Secretary, Defense Trade Controls, and the Director, Office of Defense Trade Controls Policy), the Plaintiffs and the Defendants hereby stipulate to the dismissal with prejudice of this action.

Dated: June 29, 2018

Respectfully submitted,



Matthew Goldstein
D.C. Bar No. 975000*
Snell & Wilmer LLP
One South Church Ave., Ste. 1500
Tucson, Arizona 85701
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CHAD A. READLER
Acting Assistant Attorney General
Civil Division

ANTHONY J. COPPOLINO
Deputy Branch Director
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Alan Gura
Virginia Bar No. 68842*
Gura PLLC
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joshblackman@gmail.com

Attorneys for Plaintiffs

*Admitted pro hac vice

STUART J. ROBINSON

California Bar No. 267183

Trial Attorney

United States Department of Justice

Civil Division, Federal Programs Branch

20 Massachusetts Ave., NW, Room 7116

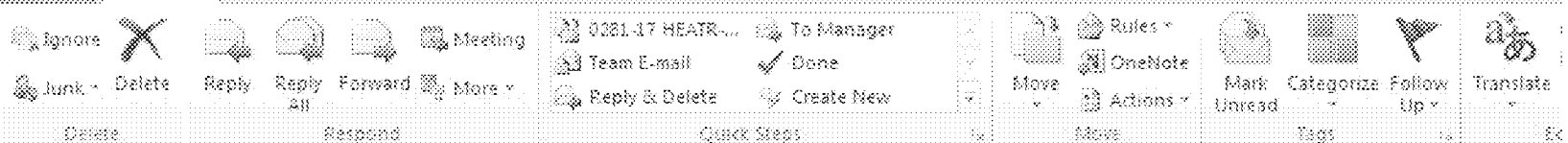
Washington, DC 20530

Phone: (202) 514-1500

Fax: (202) 616-8470

Email: Eric.Soskin@usdoj.gov

Attorneys for Defendants



Outlook blocked access to the following potentially unsafe attachments: 2017-6-9 CLEAN proposed USMIL to CCL for sending to OGC for review for d....pdf.

From: Monjay, Robert
 To: Weil, Christopher; Koelling, Richard W
 Cc: Shoaff, Raymond J
 Subject: RE: Cats I-III and Defense Distributed

From: Weil, Christopher
Sent: Monday, June 26, 2017 5:08 PM
To: Monjay, Robert <MonjayR@state.gov>; Koelling, Richard W <KoellingRW@state.gov>
Cc: Shoaff, Raymond J <ShoaffRJ@state.gov>
Subject: RE: Cats I-III and Defense Distributed

Rob,

Outlook is blocking the .docx file... do you have a PDF by chance?

Benjamin

§2717. Defense trade controls registration fees

For each fiscal year, 100 percent of the registration fees collected by the Office of Defense Trade Controls of the Department of State shall be credited to a Department of State account, to be available without fiscal year limitation. Fees credited to that account shall be available only for payment of expenses incurred for-

(1) contract personnel to assist in the evaluation of defense trade controls license applications, reduction in processing time for license applications, and improved monitoring of compliance with the terms of licenses;

(2) the automation of defense trade controls functions, including compliance and enforcement activities, and the processing of defense trade controls license applications, including the development, procurement, and utilization of computer equipment and related software; and

(3) the enhancement of defense trade export compliance and enforcement activities, including compliance audits of United States and foreign parties, the conduct of administrative proceedings, monitoring of end-uses in cases of direct commercial arms sales or other transfers, and cooperation in proceedings for enforcement of criminal laws related to defense trade export controls.

From: Wall, Amanda J <WallAJ@state.gov>
Sent: Wednesday, July 25, 2018 11:21 AM
To: Freeman, Jeremy B
Subject: Settlement

Hi Jeremy - Do you have a copy of the draft settlement in the 3D printing case that you could pass along? Jennifer would like to have it handy for her meeting with the undersecretaries tomorrow morning.

Thanks,
Amanda

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Monday, July 23, 2018 4:33 PM
To: Darrach, Tamara A; Wilson, Karen L (OLA)
Cc: Goldschmidt, Lauren (OLA)
Subject: RE: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

[REDACTED]

Josh

Official
UNCLASSIFIED

From: Darrach, Tamara A
Sent: Monday, July 23, 2018 4:30 PM
To: Wilson, Karen L (OLA) <Karen.L.Wilson@usdoj.gov>
Cc: Goldschmidt, Lauren (OLA) <Lauren.Goldschmidt@usdoj.gov>; Paul, Joshua M <PaulJM@state.gov>
Subject: RE: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

+Paul

From: Wilson, Karen L (OLA) <Karen.L.Wilson@usdoj.gov<<mailto:Karen.L.Wilson@usdoj.gov>>>
Sent: Monday, July 23, 2018 4:25 PM
To: Darrach, Tamara A <DarrachTA@state.gov<<mailto:DarrachTA@state.gov>>>
Cc: Goldschmidt, Lauren (OLA) <Lauren.Goldschmidt@usdoj.gov<<mailto:Lauren.Goldschmidt@usdoj.gov>>>
Subject: FW: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

[REDACTED]

Karen L Wilson
Attorney Advisor
Office of Legislative Affairs

U.S. Department of Justice

Direct: 202-616-0658

Fax: 202-514-9353

From: Darrach, Tamara A <DarrachTA@state.gov<<mailto:DarrachTA@state.gov>>>

Sent: Monday, July 23, 2018 9:47 AM

To: Pings, Anne (OLA) <apings@jmd.usdoj.gov<<mailto:apings@jmd.usdoj.gov>>>

Subject: FW: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

Good morning Anne,

Thanks!

Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<<mailto:DarrachTA@state.gov>>

From: Rice, Edmund <Edmund.Rice@mail.house.gov<<mailto:Edmund.Rice@mail.house.gov>>>

Sent: Friday, July 20, 2018 4:35 PM

To: Miller, Michael F <Millermf@state.gov<<mailto:Millermf@state.gov>>>; Paul, Joshua M

<PaulJM@state.gov<<mailto:PaulJM@state.gov>>>; Darrach, Tamara A

<DarrachTA@state.gov<<mailto:DarrachTA@state.gov>>>

Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<<mailto:Jamie.McCormick@mail.house.gov>>>; Fite, David

<david_fite@foreign.senate.gov<mailto:david_fite@foreign.senate.gov>>; Oliver, Stacie

<stacie_oliver@foreign.senate.gov<mailto:stacie_oliver@foreign.senate.gov>>

Subject: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

Mike, et.al.:

I wanted you to be aware of the attached letter from Rep. Engel to Secretary Pompeo urging a delay of the implementation of the settlement in *Defense Distributed v. U.S. State Department*, given the significant security threat that would occur immediately upon release of the software. The letter also is being sent to H. Rep. Engel has directed that the letter be released to the public. As you are no doubt aware, the terms of the settlement are already being widely reported in the media this afternoon.

Ed

Edmund B. Rice

Senior Professional Staff Member

Democratic Staff

House Foreign Affairs Committee

B-360 Rayburn House Office Bldg.

202-226-8467

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Official - SBU

Smith, Rickita L

From: Hart, Robert L <HartRL@state.gov>
Sent: Wednesday, July 25, 2018 10:25 AM
To: Heidema, Sarah J
Subject: FW: FLASH CLEARANCE - Defense Distributed
Attachments: 2018.07.24_Letter to Court re Settlement Agreement.pdf

The attached has no bearing on whether they can clear the documents required by settlement *assuming no intervening action that would preclude execution of the settlement*. Their perspective on the §125.4(b)(13) letter is not going to be shaped by a letter to the court from a third party. Oh well.

Rob Hart
202.736.9221 | hartrl@state.gov

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UNCLASSIFIED

From: Rogers, Shana A
Sent: Wednesday, July 25, 2018 9:59 AM
To: Heidema, Sarah J <HeidemaSJ@state.gov>; Fabry, Steven F <FabrySF@state.gov>; Freeman, Jeremy B <FreemanJB@state.gov>
Cc: Cavnar, Anna <CavnarA@state.gov>; Hart, Robert L <HartRL@state.gov>; Miller, Michael F <MillerMF@state.gov>
Subject: RE: FLASH CLEARANCE - Defense Distributed

Sarah,
Jeremy and I discussed this and, in light of the attached, are in contact with DOJ on next steps. We apologize for the delay, but expect to get back to you by early afternoon.

Thanks,
Shana

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From: Heidema, Sarah J
Sent: Tuesday, July 24, 2018 3:01 PM
To: Fabry, Steven F; Freeman, Jeremy B
Cc: Rogers, Shana A; Cavnar, Anna; Hart, Robert L; Miller, Michael F
Subject: FW: FLASH CLEARANCE - Defense Distributed

Steve/Jeremy-

Due to our conversations on this matter, I want to confirm that L's clearance below stands and that DAS Miller can sign out the letter for the DD settlement and post the notice this Friday.

V/R,

Smith, Rickita L

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1

WASHAR0035586

UNCLASSIFIED
Official - SBU

Sarah

Official - SBU
UNCLASSIFIED

From: Cavnar, Anna
Sent: Wednesday, July 18, 2018 5:08 PM
To: Hart, Robert L <HartRL@state.gov>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov>
Subject: RE: FLASH CLEARANCE - Defense Distributed

Yes, these two documents are okay as long as our edits are accepted.

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From: Hart, Robert L
Sent: Wednesday, July 18, 2018 4:49 PM
To: Cavnar, Anna
Cc: Heidema, Sarah J
Subject: RE: FLASH CLEARANCE - Defense Distributed

Anna, was this a clearance with comments, assuming we accept all redlines? I didn't see anything with respect to Tab 1, can we consider that cleared?

Thanks,

Rob Hart
202.736.9221 | hartrl@state.gov

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UNCLASSIFIED

From: Cavnar, Anna
Sent: Wednesday, July 18, 2018 10:04 AM
To: Davidson-Hood, Simon <DavidsonHoodS@state.gov>; Rogers, Shana A <RogersSA2@state.gov>
Cc: Hart, Robert L <HartRL@state.gov>; Foster, John A <FosterJA2@state.gov>; Freeman, Jeremy B <FreemanJB@state.gov>; Kottmyer, Alice M <KottmyerAM@state.gov>
Subject: RE: FLASH CLEARANCE - Defense Distributed

Simon – Attached are responses to your questions and a suggested edit to the letter. Shana is out today, but I've copied other colleagues in L who have been tracking this and provided some of this guidance, in case you have further questions.

Best,
Anna

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Smith, Rickita L

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Official - SBU

From: Davidson-Hood, Simon
Sent: Tuesday, July 17, 2018 6:23 PM
To: Cavnar, Anna; Rogers, Shana A
Cc: Hart, Robert L; Foster, John A
Subject: RE: FLASH CLEARANCE - Defense Distributed

Hi Anna and Shana,

Many thanks for reviewing the package. I accepted your edits, and just had three follow up questions in response to your comments?

Best,
SDH

Regulatory and Multilateral Affairs
Office of Defense Trade Control Policy
Bureau of Political-Military Affairs
Department of State
Tel: 202-663-2811
Mobile: 202-674-5208
Email: davidsonhoodS@state.gov
SIPR: Davidson-hoodS@state.sgov.gov

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From: Cavnar, Anna
Sent: Tuesday, July 17, 2018 12:48 PM
To: Shin, Jae E <ShinJE@state.gov>; Davidson-Hood, Simon <DavidsonHoodS@state.gov>; Koelling, Richard W <KoellingRW@state.gov>; Hamilton, Catherine E <HamiltonCE@state.gov>; Paul, Joshua M <PaulJM@state.gov>
Cc: Hart, Robert L <HartRL@state.gov>; Rogers, Shana A <RogersSA2@state.gov>
Subject: RE: FLASH CLEARANCE - Defense Distributed

With apologies for the delay, attached are some comments and edits from L. I'm also cc'ing Shana, who is back and also tracking this for L/PM now.

Best,
Anna

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From: Shin, Jae E
Sent: Tuesday, July 17, 2018 8:49 AM
To: Davidson-Hood, Simon; Koelling, Richard W; Hamilton, Catherine E; Paul, Joshua M; Cavnar, Anna
Cc: Hart, Robert L
Subject: RE: FLASH CLEARANCE - Defense Distributed

Clear for Compliance. Thank you,

Smith, Rickita L

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3

WASHAR0035588

UNCLASSIFIED
Official - SBU

Jae

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UNCLASSIFIED

From: Davidson-Hood, Simon
Sent: Monday, July 16, 2018 2:21 PM
To: Koelling, Richard W <KoellingRW@state.gov>; Hamilton, Catherine E <HamiltonCE@state.gov>; Paul, Joshua M <PaulJM@state.gov>; Shin, Jae E <ShinJE@state.gov>; Cavnar, Anna <CavnarA@state.gov>
Cc: Hart, Robert L <HartRL@state.gov>
Subject: FLASH CLEARANCE - Defense Distributed

Hi Rick, Cat, Josh, Jae, and Anna,

Could you please clear the attached AM and accompanying tabs by 1200hrs tomorrow please. I apologize for the short fuse, which is hopefully mitigated by the fact that you're all relatively au fait with this matter.

Best,
SDH

Regulatory and Multilateral Affairs
Office of Defense Trade Control Policy
Bureau of Political-Military Affairs
Department of State
Tel: 202-663-2811
Mobile: 202-674-5208
Email: davidsonhoodS@state.gov
SIPR: Davidson-hoodS@state.sgov.gov

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Smith, Rickita L

UNCLASSIFIED
Official - SBU

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund'; Miller, Michael F; Paul, Joshua; Darrach, Tamara
Cc: McCormick, Jamie; Oliver, Stacie (Foreign Relations)
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <Millermf@state.gov>; Paul, Joshua <pauljm@state.gov>; Darrach, Tamara <darrachta@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Importance: High

Mike, et.al.:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Kerr, Paul <PKERR@crs.loc.gov>
Sent: Wednesday, July 18, 2018 3:52 PM
To: 'Paul, Joshua M'
Subject: RE: Defense Distributed Case

Thanks.

One silly follow-up...is it accurate to say that posting technical data online that is covered by the USML/ITAR is considered an export?

From: Paul, Joshua M [<mailto:PaulJM@state.gov>]
Sent: Wednesday, July 18, 2018 3:30 PM
To: Kerr, Paul <PKERR@crs.loc.gov>
Subject: RE: Defense Distributed Case

Thanks - will let you know.

J

Official
UNCLASSIFIED

From: Kerr, Paul <PKERR@crs.loc.gov<<mailto:PKERR@crs.loc.gov>>>
Sent: Wednesday, July 18, 2018 3:22 PM
To: Paul, Joshua M <PaulJM@state.gov<<mailto:PaulJM@state.gov>>>
Subject: RE: Defense Distributed Case

As far as I can tell, DDTC essentially exempted the information in these particular files from the USML. The settlement says that DDTC approved the technical data in question for public release, but I don't think it gives a reason for this determination.

1. Is that characterization correct?
2. Are the data in question applicable to Category I(a) items?
3. Why were the data approved for public release?

Thanks,
Paul

From: Paul, Joshua M [<mailto:PaulJM@state.gov>]
Sent: Wednesday, July 18, 2018 8:08 AM
To: Kerr, Paul <PKERR@crs.loc.gov<<mailto:PKERR@crs.loc.gov>>>
Subject: RE: Defense Distributed Case

Yes, please do; not sure what we will be able to answer, but by all means ask.

Official

UNCLASSIFIED


From: Kerr, Paul <PKERR@crs.loc.gov<<mailto:PKERR@crs.loc.gov>>>
Sent: Wednesday, July 18, 2018 7:56 AM
To: Paul, Joshua M <PaulJM@state.gov<<mailto:PaulJM@state.gov>>>
Subject: Defense Distributed Case

Josh,

Could I send a question or two about it? It's gotten some attention up here.

Thanks,
Paul

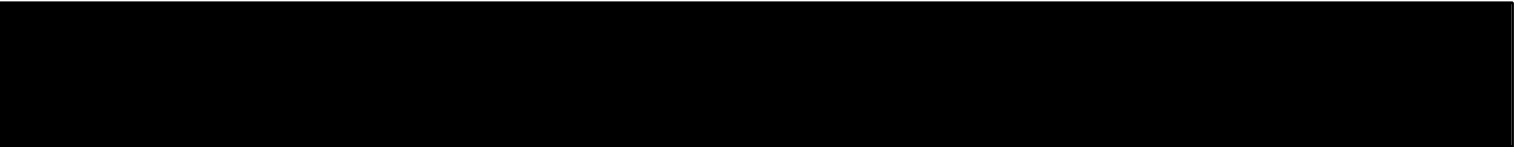
From: Miller, Michael F <Millermf@state.gov>
Sent: Wednesday, July 25, 2018 5:29 PM
To: Paul, Joshua M; Heidema, Sarah J
Subject: RE: Sen. Menendez Letter to Secretary Pompeo on 3D Guns Issue



MM

Official
UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 5:19 PM
To: Miller, Michael F <Millermf@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>
Subject: RE: Sen. Menendez Letter to Secretary Pompeo on 3D Guns Issue



Official
UNCLASSIFIED

From: Miller, Michael F
Sent: Wednesday, July 25, 2018 5:17 PM
To: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Paul, Joshua M
<PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: FW: Sen. Menendez Letter to Secretary Pompeo on 3D Guns Issue



Official
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Wednesday, July 25, 2018 4:49 PM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Paul, Joshua M
<PaulJM@state.gov<mailto:PaulJM@state.gov>>; Faulkner, Charles S
<FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>
Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>;
Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>
(edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)

<edmund.rice@mail.house.gov<<mailto:edmund.rice@mail.house.gov>>>;
Jamie.mccormick@mail.house.gov<<mailto:Jamie.mccormick@mail.house.gov>>
Subject: Sen. Menendez Letter to Secretary Pompeo on 3D Guns Issue

FYI, if you haven't seen.

From: Heidema, Sarah J <HeidemaSJ@state.gov>
Sent: Tuesday, July 24, 2018 8:27 AM
To: Tucker, Maureen E
Subject: FW: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns
Attachments: 07-20-18 Letter to Secretary Pompeo Regarding 3-D Printed Arms.pdf

Importance: High

Per our conversation

Official
UNCLASSIFIED

From: Rice, Edmund <Edmund.Rice@mail.house.gov<<mailto:Edmund.Rice@mail.house.gov>>>
Date: July 20, 2018 at 4:37:58 PM EDT
To: Miller, Michael F <Millermf@state.gov<<mailto:Millermf@state.gov>>>, Paul, Joshua M
<PaulJM@state.gov<<mailto:PaulJM@state.gov>>>, Darrach, Tamara A
<DarrachTA@state.gov<<mailto:DarrachTA@state.gov>>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<<mailto:Jamie.McCormick@mail.house.gov>>>, Fite, David
<david_fite@foreign.senate.gov<mailto:david_fite@foreign.senate.gov>>, Oliver, Stacie
<stacie_oliver@foreign.senate.gov<mailto:stacie_oliver@foreign.senate.gov>>
Subject: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

Mike, et.al.:

I wanted you to be aware of the attached letter from Rep. Engel to Secretary Pompeo urging a delay of the implementation of the settlement in Defense Distributed v. U.S. State Department, given the significant security threat that would occur immediately upon release of the software. The letter also is being sent to H. Rep. Engel has directed that the letter be released to the public. As you are no doubt aware, the terms of the settlement are already being widely reported in the media this afternoon.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Fabry, Steven F <FabrySF@state.gov>
Sent: Thursday, April 12, 2018 6:44 PM
To: Dorosin, Joshua L
Subject: FW: For immediate review: DD offer
Attachments: DDTC DD Counteroffer v7 (clean).docx

As discussed.

Official - SBU
UNCLASSIFIED

From: Heidema, Sarah J
Sent: Thursday, April 12, 2018 4:44 PM
To: PM-Staffers Mailbox
Cc: Cavnar, Anna; Freeman, Jeremy B; Fabry, Steven F; Monjay, Robert; Hart, Robert L; Miller, Michael F; Dearth, Anthony M; Koelling, Richard W
Subject: For immediate review: DD offer

Staffers:

Attached is the draft of the Defense Distributed settlement offer that we clear [REDACTED]

[REDACTED] Please send any questions to the folks copied here. L needs to send back the document to DOJ tomorrow morning, so please clear it back to all on this distro NLT 10am tomorrow.

I am out tomorrow, however, I can be reached at [REDACTED] and L folks (Steve, Jeremy and Anna- copied here) should be able to address any questions.

Sarah

Official
UNCLASSIFIED

From: Rice, Edmund <Edmund.Rice@mail.house.gov>
Sent: Monday, July 23, 2018 1:32 PM
To: Oliver, Stacie (Foreign Relations); Darrach, Tamara A; Fite, David (Foreign Relations); McCormick, Jamie
Cc: Paul, Joshua M
Subject: RE: Monthly Arms Transfer - Reschedule

So Tuesday would be 3-D guns and Thursday would be arms transfers?

From: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Sent: Monday, July 23, 2018 1:28 PM
To: Darrach, Tamara A <DarrachTA@state.gov>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Rice, Edmund <Edmund.Rice@mail.house.gov>
Cc: Paul, Joshua M <PaulJM@state.gov>
Subject: RE: Monthly Arms Transfer - Reschedule

1pm works for me

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Monday, July 23, 2018 1:25 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Hi everyone,

We are available tomorrow morning (7/24) at 9:30 am, 1:00 pm or 3:30 pm for an unclassified briefing. Please let me know if a particular timeframe works best for you.

Thanks,
Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Monday, July 23, 2018 10:09 AM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>

Subject: RE: Monthly Arms Transfer - Reschedule

Thanks. In the meantime, can PM provide us with the rationale as to why ITAR 126.2's conditions that this suspension is in the "security and foreign policy of the United States"? It's not immediately obvious.

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Monday, July 23, 2018 9:45 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Hi David,

We are doing our best to line up briefers for tomorrow. We will circle back.

Thanks,
Tamara

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Monday, July 23, 2018 9:23 AM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

I'm meeting with the PM A/S nominee at 2 on Tuesday. Can we do it before then?

From: Fite, David (Foreign Relations)
Sent: Friday, July 20, 2018 4:12 PM
To: 'Darrach, Tamara A' <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

I'm nervous having the briefing on the 3D Gun Settlement Agreement postponed until Thursday, the day before State has to suspend the regulations to apparently allow the publication of the production technology to the rest of the world. Can we have that briefing on Tuesday?

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Friday, July 20, 2018 4:08 PM
To: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Apologies everyone, we have to reschedule since Secretary Pompeo will be testifying on Wednesday. Any chance you are available Thursday (7/26) at 10:00 am?

Thanks!
Tamara

From: Darrach, Tamara A [mailto:DarrachTA@state.gov]
Sent: Friday, July 13, 2018 2:26 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>
Subject: Monthly Arms Transfer

Good afternoon everyone,

Are you available for our monthly arms transfer briefing on July 25 at 10 am? Let me know.

Thanks!
Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 20, 2018 11:45 AM
To: 'Paul, Joshua M'; Rice, Edmund; Miller, Michael F; Darrach, Tamara A
Cc: McCormick, Jamie; Oliver, Stacie (Foreign Relations)
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

If this settlement was signed on June 29th, why weren't we informed earlier about it? Or did I miss the email?

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Friday, July 20, 2018 11:42 AM
To: Rice, Edmund <Edmund.Rice@mail.house.gov>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; Miller, Michael F <MillerMF@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Understood, and that's helpful information. We'll round back and be in touch.

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From: Rice, Edmund <Edmund.Rice@mail.house.govmailto:Edmund.Rice@mail.house.gov>
Sent: Friday, July 20, 2018 11:32 AM
To: Paul, Joshua M <PaulJM@state.govmailto:PaulJM@state.gov>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.govmailto:David_Fite@foreign.senate.gov>; Miller, Michael F <MillerMF@state.govmailto:MillerMF@state.gov>; Darrach, Tamara A <DarrachTA@state.govmailto:DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.govmailto:Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.govmailto:Stacie_Oliver@foreign.senate.gov>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

A phone call would be only a first step for we four. I expect that as news of this settlement spreads, there will be a requirement to brief a number of Congressional staff and then Members.

From: Paul, Joshua M <PaulJM@state.govmailto:PaulJM@state.gov>
Sent: Friday, July 20, 2018 11:21 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.govmailto:David_Fite@foreign.senate.gov>; Rice, Edmund <Edmund.Rice@mail.house.govmailto:Edmund.Rice@mail.house.gov>; Miller, Michael F <MillerMF@state.govmailto:MillerMF@state.gov>; Darrach, Tamara A <DarrachTA@state.govmailto:DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.govmailto:Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.govmailto:Stacie_Oliver@foreign.senate.gov>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hello,

We've actually been in the process of putting together a briefing for you on this - with the intent being to provide a phone call early next week. Would that work?

Josh

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua <pauljm@state.gov<mailto:pauljm@state.gov>>; Darrach, Tamara <darrachta@state.gov<mailto:darrachta@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Importance: High

Mike, et.al<https://urldefense.proofpoint.com/v2/url?u=http-3A__et.al&d=DwQFAG&c=L93KkjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7_ZRFYXD_2-oNGpZDaSv48lvvk3sok_Kc-8ucoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E_XypzmUYkPwY&s=WDbfGOTuqtodfudKGj_R9heOE3es9SbkzJomT50T-7pA&e=>:.:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.

202-226-8467

From: Thompson, Nicole A. <ThompsonNA2@state.gov>
Sent: Tuesday, July 17, 2018 4:54 PM
To: PM-CPA
Cc: Loftus, Elizabeth; Kildow, Cassandra
Subject: Fw: Request for Comment

Sorry about the delay in sending this, but is this PM's bailiwick?

Nicole

From: Thompson, Nicole A. <ThompsonNA2@state.gov>
Sent: Tuesday, July 17, 2018 3:29 PM
To: PA Press Duty
Subject: RE: Request for Comment

Got it.

From: Marrian Zhou <marrian.zhou@cbsinteractive.com>
Sent: Tuesday, July 17, 2018 3:29 PM
To: PA Press Duty <PAPressDuty@state.gov>
Subject: Request for Comment

Hello,

My name is Marrian Zhou and I'm a reporter for CNET. I'm writing about your settlement with Defense Distributed over publications regarding 3D printed plastic guns. Does it worry you that more people will get their hands on this design of an undetectable weapon? Do you have any comments?

Thanks.

Best,

Marrian Zhou
Staff Reporter at CNET
(212) 380-0283
www.cnet.com<<http://www.cnet.com>>

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From: Paul, Joshua M <PaulJM@state.gov>
Sent: Tuesday, March 27, 2018 9:33 AM
To: Heidema, Sarah J; Hart, Robert L; Dearth, Anthony M
Cc: Koelling, Richard W
Subject: RE: Defense Distributed

Great, wasn't aware of that and very relieved to hear it!

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From: Heidema, Sarah J
Sent: Tuesday, March 27, 2018 9:33 AM
To: Hart, Robert L <HartRL@state.gov>; Paul, Joshua M <PaulJM@state.gov>; Dearth, Anthony M <DearthAM@state.gov>
Cc: Koelling, Richard W <KoellingRW@state.gov>
Subject: RE: Defense Distributed

And Josh, to your question on the personal capacity suits, those over already done.

From: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Date: March 27, 2018 at 8:17:18 AM EDT
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>, Dearth, Anthony M <DearthAM@state.gov<mailto:DearthAM@state.gov>>
Cc: Koelling, Richard W <KoellingRW@state.gov<mailto:KoellingRW@state.gov>>, Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Subject: RE: Defense Distributed

I went with "draft and fully pursue publication" because that takes us to the edge of what State can do independently - we can create a rule and advocate for its implementation with some zeal, but we aren't promising publication or implementation because of the OMB role you identify.

I haven't included anything on future suits because I suspect that will sharply reduce the likelihood of settlement, especially with the relevant USML categories in flux as we speak. Besides that, my understanding is that a suit based on, e.g., CAD files for full auto would not enjoy the same Second Amendment protections under Heller as these files arguably do.

Rob Hart

202 736 9221 | hartrl@state.gov<mailto:hartrl@state.gov>

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Date: March 27, 2018 at 8:11:21 AM EDT

To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>, Dearth, Anthony M <DearthAM@state.gov<mailto:DearthAM@state.gov>>
Cc: Koelling, Richard W <KoellingRW@state.gov<mailto:KoellingRW@state.gov>>, Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Subject: RE: Defense Distributed

Thanks. While being cognizant of the tight turnaround time, this seems to bind the Administration to a commitment that is beyond our ability to commit to - the finalization of the CATS 1-3 rules as described. Wouldn't OMB need to clear on this? I leave that question to you all entirely, but think it should be asked. I'd also think that the sine qua non of your response should be to demand that Wilson agree to drop and not in future pursue any suits in personal capacity - or has this already been done?

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From: Hart, Robert L
Sent: Tuesday, March 27, 2018 8:04 AM
To: Dearth, Anthony M <DearthAM@state.gov<mailto:DearthAM@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Cc: Koelling, Richard W <KoellingRW@state.gov<mailto:KoellingRW@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Subject: RE: Defense Distributed

+Josh

Thanks Tony, the second reference to defendants was a typo and has been corrected. L will ultimately finalize the format, I just entered enough to make the sentences complete in the numbered list.

Josh, please see attached and the note below from Tony and let me know if you have any questions. This follows on our call from yesterday with L and DOJ.

Rob Hart

202 736 9221 | hartrl@state.gov<mailto:hartrl@state.gov>

From: Dearth, Anthony M <DearthAM@state.gov<mailto:DearthAM@state.gov>>
Date: March 27, 2018 at 6:48:47 AM EDT
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Koelling, Richard W <KoellingRW@state.gov<mailto:KoellingRW@state.gov>>, Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Subject: RE: Defense Distributed

Rob,

Only question is reference to Defendants twice in the opening statement. Should the second one be different [plaintiff]? Once this change is made, I clear to send to CPA. I think Josh needs to get PM FO clearance before it goes to L final. No objections so sending L a backchannel copy while PM FO clearance is pending.

V/R, Tony

Official - SBU
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From: Hart, Robert L
Sent: Monday, March 26, 2018 4:46 PM
To: Dearth, Anthony M <DearthAM@state.gov<mailto:DearthAM@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Koelling, Richard W
<KoellingRW@state.gov<mailto:KoellingRW@state.gov>>
Subject: Defense Distributed
Importance: High

Tony, the attached is for your review in Mike's absence. I believe Rick previewed this matter to you but I'm happy to discuss further (whether the background details or the attached file) at your convenience. If you get to it tonight and have questions my cell number is 484-459-0217, but I'll also be checking emails as usual if you're content to clear it.

L is reviewing under separate cover but we wanted to get the file to all the reviewing parties as soon as possible, given the short turnaround window.

Thanks,

Rob Hart
Chief (Acting), Regulatory and Multilateral Affairs Division Department of State | Directorate of Defense Trade Controls
202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official - SBU
UNCLASSIFIED

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Wednesday, July 25, 2018 3:28 PM
To: Mason, Julia N
Subject: RE: menendez on State authorizing 3D plastic guns? what's this?

Thank you -

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From: Mason, Julia N
Sent: Wednesday, July 25, 2018 3:27 PM
To: Nauert, Heather N <NauertHN@state.gov>; PA Press Duty <PAPressDuty@state.gov>; PM-CPA <PM-CPA@state.gov>
Subject: RE: menendez on State authorizing 3D plastic guns? what's this?

This comes from a case that the State Department settled with Defense Distributed in June on 3D printed guns. PM owns the issue. Our guidance is below and I included a USAT article for context.

- * The United States strictly regulates the export of defense articles, including related manufacturing technologies and information, as an integral part of safeguarding U.S. national security and furthering U.S. foreign policy objectives in accordance with the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).
- * This was a voluntary settlement entered into following negotiations between the Department of State and the plaintiffs. The court did not rule in favor of the plaintiffs in this case. In other contexts, courts have upheld ITAR controls on technical data.
- * The settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations to transfer oversight from the U.S. Department of State to the U.S. Department of Commerce of exports of firearms and related items that do not provide the United States with a critical military or intelligence advantage or, in the case of weapons, are not inherently for military end use, including many items that are widely available in retail outlets in the United States and abroad.
- * These proposed regulations are part of an ongoing effort to create a simpler, more robust export control system that eases industry compliance, enhances enforceability, and better protects truly sensitive technologies.
- * In addition to reducing regulatory burden on U.S. industry, these proposed regulations would eliminate the ITAR requirements at issue in this case, including the ITAR requirement to obtain U.S. Government authorization to post to the Internet technical data related to certain firearms and related items that are commercially available, such as those at issue in this case.
- * In the course of formulating these proposed regulations, the U.S. Government conducted a national security analysis in the context of the rulemaking effort. Based on this analysis, it was determined that certain firearms and related items

that are widely available for commercial sale, and technical data related to those items, is of a type that does not offer a critical military or intelligence advantage to the United States, per section 120.3 of the ITAR, and therefore warrants export licensing requirements under the U.S. Department of Commerce's jurisdiction.

Make an AR-15 at home: 3D printed 'downloadable guns' available Aug. 1

USA TODAY NETWORK Josh Hafner<<http://www.usatoday.com/staff/44857/josh-hafner/>>, USA TODAY Published 7:24 p.m. ET July 23, 2018 | Updated 5:11 p.m. ET July 24, 2018

After a settlement between the State Department and a Texas-based firearm developer Defense Distributed, the nonprofit will be able to release blueprints for guns online starting in August. USA TODAY Americans will soon be able to make 3D-printed guns from their homes, widening the door to do-it-yourself versions of firearms.

The choices will include the AR-15, the gun of choice in American mass shootings<<https://www.usatoday.com/story/news/nation/2018/02/14/ar-15-mass-shootings/339519002/>>. All 3D-printed guns will be untraceable, and since you can make them yourself, no background check is required.

A settlement earlier this year between the State Department and Texas-based Defense Distributed will let the nonprofit release blueprints for guns online starting Aug. 1, a development hailed by the group as the death of gun control in the United States.

"The age of the downloadable gun begins," Defense Distributed stated on its site. Its founder, Cody Wilson, tweeted<https://twitter.com/Radomysisky/status/1016765282017337344?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweteembed%7Ctwterm%5E1016765282017337344&ref_url=https%3A%2F%2Fwww.theguardian.com%2Fus-news%2F2018%2Fjul%2F23%2F3d-printed-guns-court-settlement-trump-administration-cody-wilson> a photograph of a grave marked "American gun control."

The plans being made freely available next month put firearms a few computer key clicks away from anyone with the right machine and materials. That reality has startled gun control advocates, who say it makes untraceable firearms all the more available.

For Wilson, August marks the end of a years-long legal battle: He designed a 3D-printable plastic pistol, the "Liberator .380," in 2012 and put the plans online. It was downloaded more than 100,000 times before federal officials blocked his site, citing international export law.

A lawsuit from Wilson followed. The State Department settled in June.

The Second Amendment Foundation, a nonprofit that partnered with Wilson in the lawsuit, put out a statement calling the settlement "a devastating blow to the gun prohibition lobby."

Assembling guns at home isn't new. It is legal provided the made-at-home gun isn't sold. Defense Distributed already sells parts that help users build their own untraceable firearms, known as "ghost guns" for their lack of serial numbers. "Legally manufacture unserialized rifles and pistols in the comfort and privacy of home," one product's description states.

David Chipman, who worked 25 years as an agent with the Bureau of Alcohol, Tobacco, Firearms and Explosives, told Vice News<https://news.vice.com/en_us/article/ev8xjn/get-ready-for-the-new-era-of-3d-printed-guns-starting-august-1> that the homemade guns favored by hobbyists have since become popular with criminals.

"Criminals have started using ghost guns as a way to circumvent assault weapon regulations," said Chipman, now an adviser to the gun control advocacy group Giffords. "I imagine that people will also start printing guns to get around laws."

Gun plans previewed on Defense Distributed's website feature the Liberator pistol along with an AR-15 and a VZ-58, a Czechoslovakian assault rifle.

The printers needed to make the guns can cost from \$5,000 to \$600,000, according to Vice News. The quality of plastic matters, too: An early design printed by federal agents shattered after one shot<<https://www.usatoday.com/story/news/nation/2013/11/13/plastic-guns-emerge-as-threat-as-gun-law-expires/3520809/>>. A second gun, made from a higher grade resin, stayed intact.

William Bones, the chief of police in Boise, Idaho, told the Idaho

Statesman<<https://www.idahostatesman.com/news/local/article215115190.html>> that law enforcement agencies have followed developments in 3D-printed guns for "quite a while now."

"Measures are needed to ensure these weapons are safely built and to prevent access by children or those prohibited from owning a firearm," Bones told the newspaper.

"Hopefully we see some safe and responsible legislation soon as well as manufacturers taking measure to prevent access which might lead to tragedy."

Official - Transitory
UNCLASSIFIED

From: Nauert, Heather N
Sent: Wednesday, July 25, 2018 3:22 PM
To: Mason, Julia N <MasonJN@state.gov<mailto:MasonJN@state.gov>>; PA Press Duty <PAPressDuty@state.gov<mailto:PAPressDuty@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: menendez on State authorizing 3D plastic guns? what's this?

EB?

Why don't we know anything about this?

Official - Transitory
UNCLASSIFIED

From: Mason, Julia N
Sent: Wednesday, July 25, 2018 3:18 PM
To: Nauert, Heather N <NauertHN@state.gov<mailto:NauertHN@state.gov>>; PA Press Duty <PAPressDuty@state.gov<mailto:PAPressDuty@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: menendez on State authorizing 3D plastic guns? what's this?

+PM who has guidance on this

Official - Transitory
UNCLASSIFIED

From: Nauert, Heather N
Sent: Wednesday, July 25, 2018 3:18 PM
To: PA Press Duty <PAPressDuty@state.gov<mailto:PAPressDuty@state.gov>>; PA Press Duty <PAPressDuty@state.gov<mailto:PAPressDuty@state.gov>>
Subject: menendez on State authorizing 3D plastic guns? what's this?

Official
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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Thursday, January 11, 2018 10:50 AM
To: PM-DTCP-RMA
Cc: PM-CPA; Miller, Michael F
Subject: CPA Media Monitoring: The Hill: Planned shift on gun exports kicks up storm

[cid:image001.png@01D29279.128F6050]

Planned shift on gun exports kicks up storm By Lydia Wheeler
11 January 2018

The Trump administration's expected plan to transfer the licensing of gun exports from the State Department to the Commerce Department has Democratic lawmakers and foreign policy advocates readying for a fight.

The proposal under review by the White House Office of Information and Regulatory Affairs (OIRA) has yet to be made public, but experts fear it will lead to less oversight of commercial sales of assault weapons like submachine guns and flame throwers to foreign buyers.

Less oversight, they warn, could make it easier for deadly weapons to end up in the hands of terrorists and drug cartels. "It's a major change," said Colby Goodman, director of the Security Assistance Monitor program at the Center for International Policy.

"It's opening up a lot more risk and a lot more opportunity for illegal and illicit trafficking."

The State Department said it is shifting responsibility to Commerce for approving exports of nonmilitary firearms and ammunition that are already commercially available - those under Categories I, II and III on the U.S. Munitions List. The goal is to reduce regulatory burdens on manufacturers and exporters.

Under the proposed rules, an administration official told The Hill, firearms and related articles that are uniquely military or that are not otherwise widely available for commercial sale would remain under State Department export licensing controls.

In shifting oversight, exporters and manufacturers, including small gunsmiths, would no longer have to register with the State Department's Directorate of Defense Trade Controls and pay the \$2,250 annual registration fee.

But experts say if exporters aren't forced to register with the federal government, there will be no way to track and no one to prosecute when weapons end up in the wrong hands.

"There are plenty of cases when in regular processes weapons have been lost," said Jeff Abramson, a nonresident senior fellow at the Arms Control Association, adding that these are the weapons often used in human rights abuses.

Democrats are particularly upset with one potential change in the proposal.

Shifting oversight from the State Department to the Commerce Department, they say, would eliminate congressional review that's now required under the Arms Export Control Act for any commercial sales of lethal weapons worth \$1 million or more.

"As you are aware, combat firearms and ammunition are uniquely lethal; they are easily spread and easily modified, and are the primary means of injury, death and destruction in civil and military conflicts throughout the world," Sens. Ben

Cardin (D-Md.), Dianne Feinstein (D-Calif.) and Patrick Leahy (D-Vt.) wrote in a letter to Secretary of State Rex Tillerson in September opposing the planned move.

"As such, they should be subject to more - not less - rigorous export controls and oversight."

In the House, Rep. Norma Torres (D-Calif.) planned to introduce legislation Wednesday to block President Trump from transferring oversight of "significant military equipment" like automatic firearms and sniper rifles; their parts, accessories and components; flame throwers; and attachments or devices for launching ordnance to the Commerce Department.

In an interview with The Hill, Torres said the Commerce Department has a very different role than the State Department, which leads on foreign affairs.

"[Commerce's] interest is selling U.S.-made goods," she said. "They aren't looking at things from a public safety point of view."

Torres said the types of weapons being sold could cause a lot of problems in countries where democracy is fragile.

"The State Department has more knowledge about what's happening on the ground," she said.

The administration, however, disagrees.

"The Commerce Department is uniquely qualified to handle these rule changes," the administration official said in an email to The Hill.

"In fact, the Department of Commerce has decades of experience in licensing firearms for export under the Export Administration Regulations. This involves the export, re-export, and transfer (in-country) of 12-gauge shotguns, optical sighting devices for firearms, and crime control equipment."

The official said each export license would go through a rigorous interagency review process that includes the Defense and State departments to ensure national security and human rights concerns are addressed.

"The proposed changes will allow the Commerce Department to use its expertise and resources through its in-agency law enforcement unit, and its robust end use verification program," the official said. "This transfer will not create opportunities to put weapons in the hands of bad actors."

Gun manufacturers and former Obama administration officials say the hysteria over the rule is overblown and premature.

The rule, after all, has been in the works since 2012 and is expected to mimic an Obama-era proposal that was slated for release, but stalled after 20 children and six adults were killed in the mass shooting at Sandy Hook Elementary School in Newtown, Conn.

Kevin Wolf, the former assistant secretary of Commerce for export administration, said gun rights and gun control groups should relax until they've seen the actual wording of the rule.

"Everybody just chill," he said. "Anyone who has any concerns should just relax until they see an actual rule to comment on."

Larry Keane, senior vice president for government and public affairs and general counsel for the National Shooting Sports Foundation, said he's been told the current rule isn't significantly or materially different than the Obama-era proposal.

"It is disingenuous for people like Sen. Cardin and other Democrats to now complain about the policy when the rules were over at [the Office of Management and Budget] and within hours of being published" under Obama, he said.

A former administration official familiar with the rule discussions said export licenses still would have been required for assault weapons under the Obama-era rule. Licensing requirements would have been eased, however, for the less sensitive gun parts like screws and springs.

"The assumption is the Commerce Department is less restrictive, but the difference is less sensitive items can be treated less sensitively, but more lethal items can be treated more aggressively," the former official said.

The push to change the rules is supported by the National Rifle Association, which says many people who never intend to export a firearm or firearm accessories, like gunsmiths and parts manufacturers, are now required to register with the State Department and pay high fees to operate their business.

"The NRA supports the Trump administration's efforts to complete the reforms and transfer law-abiding firearms and ammunition manufacturers from an export system designed for nuclear submarines and ballistic missiles into one designed around lawful commercial products," said NRA spokeswoman Jennifer Baker.

The State Department's proposed rule was sent to OIRA on Sept. 26 and is marked as pending review. The office has 90 days to review the rule, but that deadline can be extended indefinitely by the head of the rulemaking agency.

The Office of Management and Budget, which oversees OIRA, said it has a longstanding policy of not commenting on rules under review.

Link: <http://thehill.com/regulation/368425-planned-shift-on-gun-exports-kicks-up-storm>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

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Official

UNCLASSIFIED

From: Thompson, Nicole A. <ThompsonNA2@state.gov>
Sent: Friday, July 20, 2018 5:44 PM
To: PM-CPA
Subject: 3-D Gun Query: Defense Distributed v United States settlement?

Official
UNCLASSIFIED

From: Thompson, Nicole A.
Sent: Friday, July 20, 2018 5:43 PM
To: 'Joel Gehrke' <jgehrke@washingtonexaminer.com>
Subject: RE: Defense Distributed v United States settlement?

Joel-

The relevant bureau at the Department will send a response to your questions promptly.

Nicole Thompson
Press Office, DOS

From: Joel Gehrke <jgehrke@washingtonexaminer.com<<mailto:jgehrke@washingtonexaminer.com>>>
Sent: Friday, July 20, 2018 5:39 PM
To: PA Press Duty <PAPressDuty@state.gov<<mailto:PAPressDuty@state.gov>>>
Subject: Defense Distributed v United States settlement?

Hello --

Do you have a comment on Ranking Member Engel's July 20 letter to Secretary Pompeo about the Defense Distributed v United States settlement? Rep. Engel argues that the settlement will create a security risk through the proliferation of 3-D printed weaponry; he also suggests that the State Department is circumventing export controls on the technology and calls for a suspension of the settlement.

Does he misunderstand the settlement? Will the State Department comply with the suspension request?

Thank you,

Joel Gehrke

Official
UNCLASSIFIED

From: Miller, Michael F <MillerMF@state.gov>
Sent: Friday, January 05, 2018 1:17 PM
To: Hart, Robert L
Subject: RE: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

Good change, thanks Rob

Official
UNCLASSIFIED

From: Hart, Robert L
Sent: Friday, January 5, 2018 12:05 PM
To: Strike, Andrew P <StrikeAP@state.gov>; Miller, Michael F <MillerMF@state.gov>; Jost, Aaron W <JostAW@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Cressey, Laura E <CresseyLE@state.gov>; Christensen, Brent T <ChristensenBT@state.gov>; Monjay, Robert <MonjayR@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Sciandra, Salvatore <SciandraS@state.gov>
Subject: RE: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

This may be weedier than necessary in context, but the "ITAR rewrite" referenced in the first question will be more of a restructuring than a rewrite. We're not starting from a blank page or even significantly revising the substantive content at this point, the intent is to produce a more linear and logically-organized set of regulations.

Rob Hart
202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official
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From: Strike, Andrew P
Sent: Friday, January 5, 2018 11:53 AM
To: Miller, Michael F <MillerMF@state.gov>; Jost, Aaron W <JostAW@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Cressey, Laura E <CresseyLE@state.gov>; Christensen, Brent T <ChristensenBT@state.gov>; Hart, Robert L <HartRL@state.gov>; Monjay, Robert <MonjayR@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Sciandra, Salvatore <SciandraS@state.gov>
Subject: RE: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

Thanks a lot. DDTC, do you have any final edits? We would like to send this back to NSC at 1200. Best,

Andrew P. Strike
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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From: Miller, Michael F
Sent: Friday, January 05, 2018 11:51 AM
To: Jost, Aaron W; Strike, Andrew P; PM-DDTC-Directors-DL; Cressey, Laura E; Christensen, Brent T; Hart, Robert L; Monjay, Robert; Steffens, Jessica L; Sciandra, Salvatore
Subject: RE: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

Thanks...two suggested deletions in highlight.

MM

Official
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From: Jost, Aaron W
Sent: Friday, January 5, 2018 11:39 AM
To: Strike, Andrew P <StrikeAP@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Cressey, Laura E <CresseyLE@state.gov>; Miller, Michael F <MillerMF@state.gov>; Christensen, Brent T <ChristensenBT@state.gov>; Hart, Robert L <HartRL@state.gov>; Monjay, Robert <MonjayR@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Sciandra, Salvatore <SciandraS@state.gov>
Subject: RE: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

My thoughts in purple.

Regards,
Aaron

SBU
This email is UNCLASSIFIED.

From: Strike, Andrew P
Sent: Friday, January 05, 2018 11:27 AM
To: PM-DDTC-Directors-DL; Cressey, Laura E; Miller, Michael F; Jost, Aaron W; Christensen, Brent T; Hart, Robert L; Monjay, Robert; Steffens, Jessica L
Subject: RE: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

+ Jess...

Official
UNCLASSIFIED

From: Strike, Andrew P

Sent: Friday, January 05, 2018 11:25 AM

To: PM-DDTC-Directors-DL; Cressey, Laura E; Miller, Michael F; Jost, Aaron W; Christensen, Brent T; Hart, Robert L; Monjay, Robert

Subject: FLASH CLEARANCE: NSC Response to Reuters (Stone) on Arms Transfer Initiative

DDTC, RSAT,

Please provide flash clearance on the NSC response below to Mike Stone from Reuters on the Arms Transfer initiative. NSC will provide both the attached points (previously cleared by you) and the bullets below.

FLASH CLEARANCE

Team, please clear the attached guidance as soon as possible. We will send up at 11:15 barring any strong objections. Also below is our proposed answers to Stone's latest questions.

- We understand the administration is preparing to roll out, next month, its plan for streamlining FMS which encompasses drones, the ITAR rewrite, Cats I-III. (is this correct?) We are looking at a variety of ways to implement our goals as outlined in the points above, but some of the specific measures are still under development.
- The "whole of government" approach, borrowing a page from the business world, will be applied to arms sales through military and commercial attaches in embassies around the world. (Please shape this as needed) THIS IS FINE. (I don't understand what this means – sounds like everything will run through the field, which ain't so; recommend cutting)
- The plan will call for broadening the customer base and making it easier for U.S. allies and partners beyond NATO to acquire the systems they need to combat shared challenges, consistent with the considerations outlined above [assuming this refers to the "State Department Press Points on Arms Transfer Initiative," looks good]. (Is there a goal/target, monetary job number or otherwise?) There is no specific monetary/job target, but we expect that effective implementation of the policy will result in additional economic growth.
- Arms control advocates and human rights groups say this kind of easing of rules will contribute to instability in conflict zones. What is the administration's response to this? Answered in the points above.

We are unable to answer all but one of the below questions at this point.

White House advisor Peter Navarro recently said

([here<%3ehttp://www.nxtbook.com/naylor/AERQ/AERQ0417/index.php?startid=20%3c%3c#/32>](http://www.nxtbook.com/naylor/AERQ/AERQ0417/index.php?startid=20%3c%3c#/32)) his office was working closely with the National Security Council and other government departments to "promote a vigorous review of arms sales and defense exports." Can you describe what needs to change to expand the sale of US defense products overseas to allies and partners?

- We understand that this include changes to the State Department's FMS oversight. How would you describe that change? There will be no change in State's oversight of arms sales.
- We understand that under the initiative the State Department be incentivized to play a promotional role of US defense products versus its current risk-based approach. Specifically, what directive would they be given? What kind of incentives would be created for State Dept staff to promote more arms sales? Currently they do not have a publicly known annual target. Would that change? This Administration is putting greater focus on ensuring decisions are not delayed unnecessarily, and that when the U.S. government decides a sale is in our national security interest, we advocate for and follow through with that sale as effectively as possible. However, these initiatives will not change the fact that national security, foreign policy, and human rights considerations will remain central to the arms transfer review and approval process.
- What is the potential for increased US defense exports if the administration's new arms transfer policy is a success? Are we talking a 10 percent increase in exports over 5 years? More? Less? What are the projections? (I write for a

business audience so anything that can help describe the marketplace is super helpful for my readers) We do not have an estimate for the percentage of growth, but the gains will not only be economic: the United States' security and foreign policy will also benefit.

- Where does the administration see the greatest potential for new sales? What defense products? To what regions of the world?
- The NSC must play a vital role in this process, can you describe it at all? Yes, the NSC coordinates policy across the interagency on behalf of the President and the U.S. Government.
- What is the relationship between the Arms Transfer Initiative and the National Security Decision Directive?

Andrew P. Strike

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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Official

UNCLASSIFIED

From: Peterson, Patricia R. EOP/NSC [mailto:Patricia_R_Peterson@nsc.eop.gov]

Sent: Friday, January 05, 2018 10:35 AM

To: Steffens, Jessica L; Richard Ashooh; Seehra, Jasmeet K. EOP/OMB; Haverstick, Holly A CIV DSCA STR (US); Cannon, Elizabeth (NSD); Caldwell, Tod; Laychak, Michael R SES DTSA EO (US); Paul, Joshua M

Cc: Rigler, Tara M

Subject: FW: [EXTERNAL] Re: NSC Press Connection --

FLASH CLEARANCE

Team, please clear the attached guidance as soon as possible. We will send up at 11:15 barring any strong objections. Also below is our proposed answers to Stone's latest questions.

- Arms control advocates and human rights groups say this kind of easing of rules will contribute to instability in conflict zones. What is the administration's response to this? [REDACTED]

[REDACTED]
White House advisor Peter Navarro recently said

([here<%3ehhttp://%3ewww.nxtbook.com/naylor/AERQ/AERQ0417/index.php?startid=20%3c%3c#/32>](http://www.nxtbook.com/naylor/AERQ/AERQ0417/index.php?startid=20%3c%3c#/32)) his office was working closely with the National Security Council and other government departments to "promote a vigorous review of arms sales and defense exports." Can you describe what needs to change to expand the sale of US defense products overseas to allies and partners?

- We understand that this include changes to the State Department's FMS oversight. How would you describe that change?

- We understand that under the initiative the State Department be incentivized to play a promotional role of US defense products versus its current risk-based approach. Specifically, what directive would they be given? What kind of incentives would be created for State Dept staff to promote more arms sales? Currently they do not have a publicly known annual target. Would that change?

- What is the potential for increased US defense exports if the administration's new arms transfer policy is a success? Are we talking a 10 percent increase in exports over 5 years? More? Less? What are the projections? (I write for a business audience so anything that can help describe the marketplace is super helpful for my readers)

- Where does the administration see the greatest potential for new sales? What defense products? To what regions of the world?

-The NSC must play a vital role in this process, can you describe it at all? [REDACTED]
[REDACTED]

- What is the relationship between the Arms Transfer Initiative and the National Security Decision Directive?

From: Rigler, Tara M. EOP/NSC

Sent: Friday, January 5, 2018 9:40 AM

To: Peterson, Patricia R. EOP/NSC <Patricia_R_Peterson@nsc.eop.gov<mailto:Patricia_R_Peterson@nsc.eop.gov>>; Hall, Andrea G. EOP/NSC <Andrea_G_Hall@nsc.eop.gov<mailto:Andrea_G_Hall@nsc.eop.gov>>; Peterson, Patricia R. EOP/NSC <Patricia_R_Peterson@nsc.eop.gov<mailto:Patricia_R_Peterson@nsc.eop.gov>>; Gray, Alexander B. EOP/WHO <Alexander.B.Gray@who.eop.gov<mailto:Alexander.B.Gray@who.eop.gov>>

Subject: FW: [EXTERNAL] Re: NSC Press Connection --

Hello Pat,

Please his additional questions.

Many thanks,
Tara

From: mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>
[mailto:mike.stone1@thomsonreuters.com]

Sent: Friday, January 5, 2018 9:39 AM

To: Rigler, Tara M. EOP/NSC <Tara.M.Rigler@nsc.eop.gov<mailto:Tara.M.Rigler@nsc.eop.gov>>

Cc: Picard, Vincent M. EOP/NSC <Vincent.M.Picard@nsc.eop.gov<mailto:Vincent.M.Picard@nsc.eop.gov>>; matt.spetalnick@thomsonreuters.com<mailto:matt.spetalnick@thomsonreuters.com>

Subject: RE: [EXTERNAL] Re: NSC Press Connection --

Tara,

CCing Matt who is working with me on the story.

There are a couple additional questions that I wanted to send over upon reflection.

- We understand the administration is preparing to roll out, next month, its plan for streamlining FMS which encompasses drones, the ITAR rewrite, Cats I-III. (is this correct?)
- The "whole of government" approach, borrowing a page from the business world, will be applied to arms sales through military and commercial attaches in embassy's around the world. (Please shape this as needed)
- The plan will call for broadening the customer base and make it easier for U.S. allies and partners beyond NATO. (Is there a goal/target, monetary job number or otherwise?)
- Arms control advocates and human rights groups say this kind of easing of rules will contribute to instability in conflict zones. What is the administration's response to this?

Cheers,

Mike

From: Rigler, Tara M. EOP/NSC [mailto:Tara.M.Rigler@nsc.eop.gov]
Sent: Friday, January 05, 2018 9:17 AM
To: Stone, Mike (Reuters)
Cc: Picard, Vincent M. EOP/NSC
Subject: RE: [EXTERNAL] Re: NSC Press Connection --

Hello Mike,

We're working it now.

Thanks,
Tara

From: mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>
[mailto:mike.stone1@thomsonreuters.com]
Sent: Friday, January 5, 2018 8:31 AM
To: Rigler, Tara M. EOP/NSC <Tara.M.Rigler@nsc.eop.gov<mailto:Tara.M.Rigler@nsc.eop.gov>>
Subject: RE: [EXTERNAL] Re: NSC Press Connection --

Tara,

We never closed the loop on this. And we're now looking at a deadline today. Can we please have some responses to this by 2 PM?

Here are our questions again, they have been altered based on further reporting. I have also added one (very important question) in red at the bottom. I understand that this is difficult on short notice. I really appreciate your efforts.

White House advisor Peter Navarro recently said
([here<http://www.nxtbook.com/naylor/AERQ/AERQ0417/index.php?startid=20%3c%3c#32>](http://www.nxtbook.com/naylor/AERQ/AERQ0417/index.php?startid=20%3c%3c#32)) his office was working closely with the National Security Council and other government departments to "promote a vigorous review of arms sales and defense exports." Can you describe what needs to change to expand the sale of US defense products overseas to allies and partners?

- We understand that this include changes to the State Department's FMS oversight. How would you describe that change?
- We understand that under the initiative the State Department be incentivized to play a promotional role of US defense products versus its current risk-based approach. Specifically, what directive would they be given? What kind of incentives would be created for State Dept staff to promote more arms sales? Currently they do not have a publicly known annual target. Would that change?
- What is the potential for increased US defense exports if the administration's new arms transfer policy is a success? Are we talking a 10 percent increase in exports over 5 years? More? Less? What are the projections? (I write for a business audience so anything that can help describe the marketplace is super helpful for my readers)
- Where does the administration see the greatest potential for new sales? What defense products? To what regions of the world?
- The NSC must play a vital role in this process, can you describe it at all?
- What is the relationship between the Arms Transfer Initiative and the National Security Decision Directive?

From: Rigler, Tara M. EOP/NSC [mailto:Tara.M.Rigler@nsc.eop.gov]
Sent: Thursday, December 21, 2017 2:27 PM
To: Stone, Mike (Reuters)
Subject: RE: [EXTERNAL] Re: NSC Press Connection --

Yes – got them.

Will get back to you shortly.

Thanks,
Tara

From: mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>
[mailto:mike.stone1@thomsonreuters.com]
Sent: Thursday, December 21, 2017 1:38 PM
To: Rigler, Tara M. EOP/NSC <Tara.M.Rigler@nsc.eop.gov<mailto:Tara.M.Rigler@nsc.eop.gov>>
Subject: RE: [EXTERNAL] Re: NSC Press Connection --

Do you see it now?

From: Rigler, Tara M. EOP/NSC [mailto:Tara.M.Rigler@nsc.eop.gov]
Sent: Thursday, December 21, 2017 1:32 PM
To: Stone, Mike (Reuters)
Subject: Re: [EXTERNAL] Re: NSC Press Connection --

No, can you please send them?

Many thanks,
Tara

Sent from my iPhone

On Dec 21, 2017, at 11:56 AM, "mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>" <mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>> wrote:

Tara,

Did you get my questions from last night?

Cheers,

Mike

From: Rigler, Tara M. EOP/NSC [mailto:Tara.M.Rigler@nsc.eop.gov]

Sent: Wednesday, December 20, 2017 6:08 PM

To: Stone, Mike (Reuters)

Subject: Re: [EXTERNAL] Re: NSC Press Connection --

Sounds good, Mike.

Tara

Sent from my iPhone

On Dec 20, 2017, at 5:56 PM, "mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>" <mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>> wrote:

Hi Tara,

Thanks for getting back.

I'll have to send some over in a bit. Perhaps tomorrow.

Cheers,

Mike

On Dec 20, 2017, at 5:34 PM, Rigler, Tara M. EOP/NSC

<Tara.M.Rigler@nsc.eop.gov<mailto:Tara.M.Rigler@nsc.eop.gov>> wrote:

Hello Mike,

What are your specific questions?

Thanks,

Tara

-----Original Message-----

From: mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>

[mailto:mike.stone1@thomsonreuters.com]

Sent: Wednesday, December 20, 2017 11:06 AM

To: Picard, Vincent M. EOP/NSC <Vincent.M.Picard@nsc.eop.gov<mailto:Vincent.M.Picard@nsc.eop.gov>>

Subject: [EXTERNAL] RE: NSC Press Connection --

Vinnie,

I'm sorry that this never came to fruition.

I'm afraid that due to some reporting done by other outlets, the timeline for the ATI story has moved up.

Would it be possible to do a backgrounder on that one today?

Cheers,

Mike

-----Original Message-----

From: Picard, Vincent M. EOP/NSC [mailto:Vincent.M.Picard@nsc.eop.gov]
Sent: Monday, September 18, 2017 6:27 PM
To: McKeeby, David I; Stone, Mike (Reuters)
Subject: RE: NSC Press Connection --

Thanks David, I appreciate the intro.

Hi Mike, if you think there is anything we can fill in from here please let me know and I'll try to set something up.

Vinnie

-----Original Message-----

From: McKeeby, David I [mailto:McKeebyDI@state.gov]
Sent: Monday, September 18, 2017 6:25 PM
To: mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>
Cc: Picard, Vincent M. EOP/NSC <Vincent.M.Picard@nsc.eop.gov<mailto:Vincent.M.Picard@nsc.eop.gov>>
Subject: Re: NSC Press Connection --

Mike:

Allow me to also introduce you to Vinnie Picard at NSC press, who also might be available to set up a backgrounder this week on Cats I-III ND related issues from the White House.

Best,
--D--

Sent from my BlackBerry 10 smartphone.

From: McKeeby, David I
Sent: Monday, September 18, 2017 12:44 PM
To: mike.stone1@thomsonreuters.com<mailto:mike.stone1@thomsonreuters.com>
Cc: Eugene Cottilli (eugene.cottilli@bis.doc.gov<mailto:eugene.cottilli@bis.doc.gov>)
Subject: Commerce Connection --

Mike:

As discussed, allow me to introduce you to my Commerce BIS counterpart Eugene, who may be able to get you connected with Brian's Commerce counterpart, Matt Borman.

Best,
Dave

David I. McKeeby

[cid:image001.png@01CF5314.69A33A30]<>>>>>>>https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_StateDept&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m<<<<<<<%3ehhttps://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_StateDept&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m%3c>=frXN1IY6EWL9jDEe081IONgBOUd9804sSxDUmKKIFFQ&s=zpb8TxR4ZdxrMzbnC5oP4FBkSFXfcx9AKyVS-9vWkwM&e=<<<><[cid:image002.png@01CF5314.69A33A30]<>>>>>>>>https://urldefense.proofpoint.com/v2/url?u=http-3A__statedept.tumblr.com_&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m<<<<<<<%3ehhttps://urldefense.proofpoint.com/v2/url?u=http-3A__statedept.tumblr.com_&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m%3c>=frXN1IY6EWL9jDEe081IONgBOUd9804sSxDUmKKIFFQ&s=uYyIYODYc4EZ4QiN7ypmgfVMJtzvyXCxF62T4oYdsEg&e=<<<><[cid:image003.png@01CF5314.69A33A30]<>>>>>>>>https://urldefense.proofpoint.com/v2/url?u=http-3A__www.state.gov_misc_echannels_66791.htm&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m<<<<<<<%3ehhttps://urldefense.proofpoint.com/v2/url?u=http-3A__%3e%3e%3e%3ewww.state.gov_misc_echannels_66791.htm%3c%3c%3c%3c&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m%3c>=frXN1IY6EWL9jDEe081IONgBOUd9804sSxDUmKKIFFQ&s=EeNVaScCVv7cuwG9Axtw9DRqB_5xDP6awZDdW8ZfgA&e=<<<><[cid:image004.png@01CF5314.69A33A30]<>>>>>>>>https://urldefense.proofpoint.com/v2/url?u=http-3A__www.facebook.com_usdos&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-1Cr1I4FWlvbLFebwKgY&r=HXchCL8yL7gDLD3u7YVMTx2-c6OMBdcAC2g8OX3c7iM&m<<<<<<<%3ehhttps://urldefense.proofpoint.com/v2/url?u=http-3A__%3e%3e%3e%3ewww.facebook.com_usdos%3c%3c%3c%3c&d=DwIF_Q&c=4ZIZThykDLcoWk-GVjSLmy8-

Official
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From: Monjay, Robert <MonjayR@state.gov>
Sent: Tuesday, July 10, 2018 2:03 PM
To: Miller, Michael F; Heidema, Sarah J; Dearth, Anthony M; Hamilton, Catherine E; Shin, Jae E; Douville, Alex J; Rogers, Shana A; PM-CPA
Cc: PM-DTCP-RMA
Subject: Public Comments on Cats I-III Rules

The public comments period on the Cat I-III (firearms) rule closed on July 9.

We received 3,250 total public comments. 3181 comments came in through regulations.gov and 69 comments came in via email.

We are reviewing the comments for duplicates and bulk submissions (form letters), which should reduce the number of unique comments that we need to address. More info to follow.

Thanks

Rob

Robert J. Monjay
U.S. Department of State
Office of Defense Trade Controls Policy
Phone: 202.663.2817
Mobile: 202.294.2478
Email: MonjayR@state.gov<<mailto:MonjayR@state.gov>>
SIPR: MonjayR@state.sgov.gov<<mailto:MonjayR@state.sgov.gov>>

Official

UNCLASSIFIED

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Thursday, May 24, 2018 9:56 AM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: New York Times: A Bid to Increase Gun Exports, Stalled After Sandy Hook, Moves Ahead

[cid:image001.png@01D29279.128F6050]

A Bid to Increase Gun Exports, Stalled After Sandy Hook, Moves Ahead By Tiffany Hsu and John Ismay
23 May 2018

The Trump administration wants to streamline the process for exporting American firearms, a change sought for years by domestic gun companies as a way to increase sales.

A proposed rule expected to be published in the Federal Register on Thursday would transfer jurisdiction of consumer gun exports from the State Department, where the licensing process is expensive and extensive, to the Commerce Department, which has a simpler application process.

Publication of the rule kicks off a 45-day comment period, after which departments including State and Commerce will review corrections and suggestions and then send a revised draft to Congress before final publication.

Gun industry groups said that the shift, which was first conceived during the Obama administration but halted after the Sandy Hook school shooting in 2012, would pare down a bureaucratic process that currently discourages American firearms companies from sending their products abroad.

Lawrence Keane of the National Shooting Sports Foundation called the proposal "a significant positive development for the industry that will allow members to reduce costs and compete in the global marketplace more effectively, all while not in any way hindering national security."

But critics of the proposal worry that American guns, including AR-15s and similar semiautomatic rifles frequently used in mass shootings, could more easily find their way into the hands of foreign criminals. Among the reasons: a change in the disclosure rules for certain sales. The State Department is required by the Arms Export Control Act to submit any commercial arms sale worth \$1 million or more to congressional review. The Commerce Department has no equivalent mandate.

Representative Norma J. Torres, Democrat of California, has introduced legislation to keep oversight with the State Department, calling the proposed shift "dangerous."

"It is very likely that the administration's plan could be a boon for illegal weapons traffickers and their unsavory customers - from ISIS to Mexico's Sinaloa Cartel," she wrote in a description of her bill.

The proposed changes are meant to keep only items that are "inherently for military end use" under State Department control, and move those that are "widely available in retail outlets" to the Commerce Department.

Export sales represent a small share of the domestic gun industry. Sturm Ruger and American Outdoor Brands, which owns the Smith & Wesson label, both generate less than 5 percent of their sales outside the United States.

Guns imports far surpass exports in the United States. In 2015, the most recent year available from the Justice Department, 5.1 million firearms were imported into the United States, and 343,456 firearms were exported.

The shooting sports foundation predicts that revising the process would increase firearms exports by as much as 20 percent, Mr. Keane said.

But other experts pointed out that demand in some countries is constrained by strict gun-control regulations. And competition from brands like Italy's Beretta, Austria's Glock and Germany's Heckler & Koch could dampen enthusiasm for American entrants.

Jurgen Brauer, the chief economist of the Small Arms Analytics research group, said he predicted loosened export rules would result in perhaps a 2 percent increase in sales for American gunmakers.

"I don't see a competitive advantage for U.S. manufactured arms abroad," he said. "Looking purely at quality, reliability, reputation and price point, what is it that these manufacturers see to make them believe a U.S. weapon would stand out in the foreign market?"

Firearm sales in the United States have struggled since President Trump, a vocal supporter of the gun industry, was elected. Fears of gun control, which helped propel demand to record highs during the Obama administration, have waned during Mr. Trump's tenure.

It was under Mr. Obama's watch that the effort to turn the administration of commercial firearms export licenses to the Commerce Department began. The proposed rule concerning guns was nearly complete when 26 people, most of them children, were shot and killed in Newtown, Conn., in late 2012.

Kevin Wolf, an assistant secretary of Commerce who was leading the development of the new export rules at the time, said he had decided to hold off on publication because of the tragedy.

"Even though these rules have literally absolutely nothing to do with domestic gun control, I didn't think it was optically the right time to start discussing guns," he said. "I knew it was going to be a very emotional topic."

The firearms rule currently being proposed "looks 95 percent identical" to the 2012 version, Mr. Wolf said.

"This is an intensely bureaucratic exercise," he said. "It's not a major change in gun policy."

The Commerce Department already oversees exports of certain shotguns, and the proposed rule adds "guns you can buy at a commercial gun distributor," Mr. Wolf said.

However, not all the items that would be covered by the looser Commerce Department rules are available everywhere in the United States. California - one of the country's largest states for firearms sales - heavily regulates two items in particular: .50-caliber rifles and detachable magazines of the kind typically used by the military and police departments.

The proposed changes would establish the benchmark for so-called high-capacity magazines as those capable of holding more than 50 rounds. California restricts most civilian residents to owning magazines that hold just 10 rounds; 30-round magazines, which are frequently used by the military, could be sold abroad.

Similarly, California places tight restrictions on owning powerful .50-caliber rifles, which are capable of hitting human-size targets at a range of 2,000 yards. The state Legislature called them a "clear and present terrorist threat" to not only human life, but also vehicles and infrastructure.

Representative Elizabeth Esty, whose Connecticut district includes Newtown, said on Wednesday that she would try to "stop this if I can."

"This is a national security and diplomacy question, but moving it to Commerce makes it an economic promotion of an industry," she said. "It's putting profits ahead of people."

Link: <https://www.nytimes.com/2018/05/23/business/gun-exports-trump.html>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov<<mailto:MarquisMR@state.gov>> | Web: www.state.gov/t/pm
/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Sent: Monday, July 23, 2018 1:28 PM
To: Darrach, Tamara A; Fite, David (Foreign Relations); 'McCormick, Jamie'; 'Rice, Edmund'
Cc: Paul, Joshua M
Subject: RE: Monthly Arms Transfer - Reschedule

1pm works for me

From: Darrach, Tamara A <DarrachTA@state.gov>
Sent: Monday, July 23, 2018 1:25 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov>
Cc: Paul, Joshua M <PaulJM@state.gov>
Subject: RE: Monthly Arms Transfer - Reschedule

Hi everyone,

We are available tomorrow morning (7/24) at 9:30 am, 1:00 pm or 3:30 pm for an unclassified briefing. Please let me know if a particular timeframe works best for you.

Thanks,
Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Monday, July 23, 2018 10:09 AM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Thanks. In the meantime, can PM provide us with the rationale as to why ITAR 126.2's conditions that this suspension is in the "security and foreign policy of the United States"? It's not immediately obvious.

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Monday, July 23, 2018 9:45 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>

Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>

Subject: RE: Monthly Arms Transfer - Reschedule

Hi David,

We are doing our best to line up briefers for tomorrow. We will circle back.

Thanks,

Tamara

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>

Sent: Monday, July 23, 2018 9:23 AM

To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>

Subject: RE: Monthly Arms Transfer - Reschedule

I'm meeting with the PM A/S nominee at 2 on Tuesday. Can we do it before then?

From: Fite, David (Foreign Relations)

Sent: Friday, July 20, 2018 4:12 PM

To: 'Darrach, Tamara A' <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>

Subject: RE: Monthly Arms Transfer - Reschedule

I'm nervous having the briefing on the 3D Gun Settlement Agreement postponed until Thursday, the day before State has to suspend the regulations to apparently allow the publication of the production technology to the rest of the world. Can we have that briefing on Tuesday?

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>

Sent: Friday, July 20, 2018 4:08 PM

To: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>

Subject: RE: Monthly Arms Transfer - Reschedule

Apologies everyone, we have to reschedule since Secretary Pompeo will be testifying on Wednesday. Any chance you are available Thursday (7/26) at 10:00 am?

Thanks!

Tamara

From: Darrach, Tamara A [mailto:DarrachTA@state.gov]

Sent: Friday, July 13, 2018 2:26 PM

To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>

Subject: Monthly Arms Transfer

Good afternoon everyone,

Are you available for our monthly arms transfer briefing on July 25 at 10 am? Let me know.

Thanks!

Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, July 25, 2018 8:15 AM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: Science Alert: The US Just Made It Legal For Anyone to Download And Print Their Own Gun. Yes, Really

[cid:image001.png@01D29279.128F6050]

The US Just Made It Legal For Anyone to Download And Print Their Own Gun. Yes, Really By Carly Cassella
24 July 2018

For more than five years, Cody Wilson has been stuck in a legal battle with the US government over whether he should be able to post plans for a 3D-printed handgun that he likes to call "The Liberator."

The lawsuit turns on whether or not the first and second amendment, allowing freedom of speech and the right to bear arms, protects someone like Wilson, who wishes to provide downloadable gun blueprints to make deadly, untraceable weapons.

On June 29, the US government suddenly put an end to the discussion. The US State Department offered Wilson a settlement, allowing him to post his plans, files and 3D drawings online in any form starting next month. The State Department will also be reimbursing Wilson nearly \$40,000 for his legal costs.

"We asked for the Moon and we figured the government would reject it, but they didn't want to go to trial," said Alan M. Gottlieb, a member of the Second Amendment Foundation, which helped in the case.

"The government fought us all the way and then all of the sudden folded their tent."

Along with The Liberator, Wilson's website will now be able to legally lay out their blueprints for a DIY Baretta M9 handgun and an AR-15 lower receiver - the latter being the same model used in three recent mass shootings in Las Vegas, Newtown, and Parkland.

"The age of the downloadable gun formally begins," the Second Amendment Foundation's website now reads.

But while the National Rifle Association and gun rights activists are praising the settlement, gun control proponents remain worried by the lack of restrictions for printable guns.

At the moment, most Americans cannot afford high-end 3D printers (the price can be as high as \$600,000), but as the technology progresses that will inevitably begin to change. Even now, if you already own or have access to a 3D printer, it can be as cheap as \$25 to make a 3D printed gun.

"We are looking at a world in which anyone with a little bit of cash can bring an undetectable gun that can fire multiple bullets anywhere - including planes, government buildings, sporting events and schools," said Senator Chuck Schumer at a recent press conference.

"3D printers are a miraculous technology that have the potential to revolutionize manufacturing, but we need to make sure they are not being used to make deadly, undetectable weapons."

When it comes to gun terrorism, the possibilities are endless. Right now, it is theoretically possible, for instance, to create a 3D printed gun and its bullets solely from plastic, rendering metal detectors useless. An assailant could also send the blueprint to a 3D printer in any building, and then assemble the weapon once they are past security.

Plus, background checks are not needed to produce 3D printed guns, making it even more difficult for the government to keep track of who has them. Already, firearms that are made at home are known as "ghost guns" because they lack a serial number and are untraceable. All too often, these ghost guns end up in the wrong hands.

"Now, criminals have started using ghost guns as a way to circumvent assault weapon regulations," David Chipman, an advisor to the gun control advocacy group Giffords, told Vice News.

"I imagine that people will also start printing guns to get around laws."

America's decision is particularly startling given that other countries have taken an entirely different approach to the young technology.

In Japan, when a 28-year-old was found to have manufactured a plastic 3D-printed firearm, he was charged with violating the national weapons law and sent to prison for two years.

In the UK, it is highly illegal to create, buy or sell 3D printed guns. Back in 2013, police in the UK seized what they thought were 3D printed gun components (in the end, it turns out they were completely harmless spare parts).

In China, 3D printing firms must register with the authorities to prevent the technology from being used to produce illegal items.

In Australia, the laws on 3D printed guns are some of the toughest in the world. Some Australian states, for instance, have passed laws that equate possession of a 3D printed gun file to actual possession of a 3D printed gun, sending offenders to jail for up to 14 years. Even still, two years ago, several members of a Melbourne gang were arrested after it was found that they were manufacturing guns with a 3D printer.

Meanwhile, in the US, legal limits on the 3D printing of guns are few and far between. In fact, California is the only state in the country to pass a law that requires a 3D printed gun to be properly approved and registered. Anywhere else, and that gun can appear and disappear without a trace.

Link: <https://www.sciencealert.com/the-us-just-made-it-legal-for-anyone-to-download-and-print-their-own-gun-yes-really>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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[/http://www.state.gov/t/pm%20/](http://www.state.gov/t/pm%20/) | Twitter: @StateDeptPM

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user/statevideo>[cid:image007.png@01CF5314.69A33A30]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

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UNCLASSIFIED

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, May 16, 2018 8:27 AM
To: PM-DTCP-RMA; PM-DTCP-RAA; PM/RSAT EUR/WHA Team
Cc: PM-CPA; PM/SA Security Assistance Office; Miller, Michael F; O'Keefe, Kevin P; Cressey, Laura E; Christensen, Brent T; Jost, Aaron W
Subject: CPA Media Monitoring: InSight Crime: US Easing of Gun Export Controls Could Send New Wave of Arms to LatAm

[cid:image001.png@01D29279.128F6050]

US Easing of Gun Export Controls Could Send New Wave of Arms to LatAm By Parker Asman
15 May 2018

US President Donald Trump has proposed a new reform that would ease firearm export controls for US weapons manufacturers, which could increase the already high number of US-sourced firearms used in criminal activities in Latin America.

The proposal, published May 14, would shift authority to regulate exports of certain firearms and related products from the State Department to the Commerce Department. The move aims to streamline the approval process for arms exports so US manufacturers - suffering from decreased domestic sales in the Trump era - can sell more guns, ammunition and accessories abroad.

"There will be more leeway to do arms sales," a senior administration official told Reuters last year when the plan was first floated unofficially. "You could really turn the spigot on if you do it the right way."

The rule would apply to "commercial items widely available in [US] retail outlets and less sensitive military items," the proposal states. That definition would cover products like assault-type rifles, military-grade sniper scopes, armor-piercing ammunition and most handguns.

While many in Congress support the move, several powerful Senators have vowed to fight it.

In a joint press release, the human rights organization Global Exchange and the Violence Policy Center, a pro-gun control group, slammed the proposal, saying it "will likely lead to more US guns getting into the hands of criminal organizations, human rights abusers, terrorist groups, and others who wreak harm."

Indeed, US-sourced guns play a major role in fueling criminal violence in Latin America and the Caribbean. Data from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) consistently shows that a large percentage of firearms seized in Central America and the Caribbean can be traced back to the United States. And a majority of murders in the world's most homicidal region involve the use of a gun.

The new export rules are likely to affect many countries throughout Latin America and the Caribbean. But due to its proximity to the United States and other factors, Mexico is likely to see a significant impact.

InSight Crime spoke with researcher and activist John Lindsay-Poland of Global Exchange about the flow of US firearms to Mexico, the role these firearms play in rising levels of violence and the potential effects that the proposed reform might have on these dynamics.*

InSight Crime (IC): American guns have for years been flowing into Mexico and elsewhere in Latin America. Can you give us some background on this and some context for the recent focus on this dynamic as of late?

John Lindsay-Poland (JLP): It's true, US weapons have been flowing into Mexico and other countries both legally and illegally for many years. The end of the assault weapons ban in 2004 created even greater conditions to obtain firearms that are of a special interest to organized criminal groups in Mexico, Central America and the Caribbean. The structure of the US-Mexico border is such that most controls are on the south-to-north trafficking route, under the idea, in the United States, that the threat is in Mexico. I think that corresponds to an American exceptionalism idea that [the United States] cannot pose a threat. The infrastructure does not control very well for weapons that are going north to south.

When the drug war in Mexico heated up, the market conditions were great both on the supply and demand side for an increased flow of military-grade weaponry. The drug war becomes helpful to the gun industry because the premise of the drug war is that the United States and its allies are going to fight drug trafficking through military and policing means, so therefore they're going to be armed. The collusion of these forces with organized crime is overlooked in the interest of that market.

IC: Two of the US agencies primarily responsible for combating cross-border arms trafficking are the ATF and the Department of Homeland Security's Immigration and Customs Enforcement (ICE). Have these agencies collaborated effectively or been given the proper resources to stem the flow of US firearms to Mexico?

JLP: There's a US Government Accountability Office (GAO) report that says they were not collaborating effectively. I don't know this from my own fieldwork, but I would take the GAO's word for it.

The ATF has been hobbled by congressional restrictions as a result of the gun industry's lobbying that has prevented it from having a permanent director for years, the resources and the legislation. The fact that international gun trafficking has not been a federal crime in itself is also an indicator of the lack of resources that the agency has.

Because the US prioritizes commerce, the effort to try to stop physical things from going over the border is never going to be successful. There will be people who are caught and weapons that are seized, and that's a good thing, but any successful effort has to go further upstream to the production and marketing of weapons, as well as the policies and laws related to that, in order to stop the flow.

IC: How effective have Mexican authorities been in stemming the flow of US weapons south to Mexico?

JLP: Not effective. A 2013 study from the University of San Diego estimated that 250,000 firearms purchased in the United States are trafficked into Mexico each year. The number of firearms recovered at crime scenes has gone down in recent years. It's unclear exactly why, but the incentives within the Mexican police and armed forces are not strong enough to go after weapons. There are incentives to go after drugs, but there's also of course extensive collusion between police and military forces and organized crime, so that I think is also undermining efforts to recover weapons.

Mexico can work with the United States to strengthen enforcement and market controls on the US side of the border. The other thing is that the approach to security and to drug trafficking in Mexico is supported by the United States, which is reinforcing a kind of arms race between criminal groups and the state. If criminal groups get more weaponry, police get more weaponry, and if police get more weaponry, criminal groups get more weaponry.

IC: Do you think the flow of US firearms to Mexico is used to explain the high levels of violence we're seeing in Mexico as opposed to flawed security strategies or more structural issues?

JLP: I would definitely affirm that the flow of US guns has contributed to homicides in Mexico. If you look, for example, at the percentage of homicides committed with firearms, it goes up. In the early 2000s, one in four homicides were committed with firearms. In the US context, people expect murders to be committed with guns because that's been a long-term trend within the United States. In Mexico that wasn't always the case. The gun-related homicides are going up and the reason they're able to go up is that there are more guns. That's not the only reason, but it is one. Since most of those guns are coming from the United States, illegally or legally, of course the United States has a role.

IC: With growing support for stricter gun control in the United States, is there any chance we'll see a decrease in the number of US guns in route to Mexico?

JLP: I think there is an opening now. The gun violence prevention movement in the United States has been very focused on crimes committed with guns in the United States, and generally has not been aware of how US-sourced guns are being used outside our borders. So that is an important piece of trying to have an impact in Mexico or in other countries.

"The approach to security and to drug trafficking in Mexico is supported by the United States, which is reinforcing a kind of arms race between criminal groups and the state."

That said, if there were a new assault weapons ban, it would have an impact in Mexico, even if the ban is done without the awareness of the impact in Mexico. When the federal assault weapons ban expired in 2004, California retained an assault weapons ban. Mexican communities on the other side of the border from Texas, Arizona and New Mexico saw a much greater increase in gun deaths after the expiration of the federal assault weapons ban than Mexican communities on the other side of the border from California.

There is interest now in Mexico in increased work around guns both within the country and bilaterally. I think there is increased interest in how to create more awareness that could lead to policy changes that would have an impact on the guns coming into Mexico. But there's a long way to go.

IC: In a recent article you wrote for Al Jazeera, you argued that the United States should "suspend gun export licenses to Mexico and reorient its security policy there." Can you explain your reasoning?

JLP: We call for a suspension of firearms licenses to Mexico because under the current system, there is no adequate end-use control mechanism for legally exported weapons to Mexico from the United States. When a gun producer goes to the US State Department to seek an export license, it has to name the end users.

Now in Mexico, only the Mexican military is legally permitted to import firearms. And they're also the only legal distributor within Mexico, including to the police. All police weapons in Mexico come through the Mexican military, which produces them themselves, although this is a very small portion, or they import them. About two-thirds of the weapons that they have imported have gone outside Mexico City. However, when the license comes before the State Department, 80 percent of those applications, according to a State Department source who I spoke with, said that they name the end users as within Mexico City, the military or police within Mexico City, when we know that most are being distributed outside the capital to police forces around the country.

The US State Department is not getting sufficient information about who the end users really are, which means that they cannot under the current system exclude police forces that have committed severe human rights abuses or colluded with organized crime from getting US-sourced firearms. It's important that the State Department suspends those licenses and creates a system with end-use controls that allows them to know where the end users are and who they are.

IC: How will the Trump administration's proposal affect levels of violence in Mexico?

JLP: We can expect even less oversight on end users of US guns, so more weapons going to police and military units that Washington knows are colluding with organized crime, have "lost" weapons, or have committed serious human rights abuses. That further erodes the rule of law and makes conflicts over territory and business even more violent.

Link: <https://www.insightcrime.org/news/analysis/easing-us-firearm-export-controls-exacerbate-violence-mexico/>

Matthew Marquis

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, May 16, 2018 10:22 AM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: Prince Law Offices: Trump to Alleviate ITAR Obligations for Firearm and Ammunition Manufacturers and Gunsmiths

[cid:image001.png@01D29279.128F6050]

Trump to Alleviate ITAR Obligations for Firearm and Ammunition Manufacturers and Gunsmiths By Joshua Prince
15 May 2018

As our readers are aware, for almost a decade, I have blogged about the obligation of firearm and ammunition manufacturers to register with the Department of State, Directorate of Defense Trade Control (DDTC) under the International Traffic in Arms Regulations (ITAR), which implement the Arms Export Control Act (AECA), as well as, DDTC's stepped up enforcement against Federal Firearm Licensees (FFLs) starting in 2012. More recently, the DDTC issued guidance, which placed many gunsmiths out of business because it declared that most gunsmithing activities constituted manufacturing, which in turn required registration at a cost of \$2,250, per year, in addition to the compliance costs. After years of requests that firearms and ammunition under Categories I, II and III of the U.S. Munitions List be moved over under the Department of Commerce, today the Department of State has published on its website proposed regulatory changes, which will afford a 45 day comment period, once formally published in the Federal Register. While the proposed changes are monumental, as described below, there are concerns regarding the proposed regulatory changes, which necessitate that those effected obtain competent counsel to timely file comments for DDTC's consideration.

[DDTC.jpg]

The 42 page proposal provides significant changes in that non-automatic and semi-automatic firearms and ammunition, as well as parts and defense services related thereto, that are currently regulated by Category I, II or III of the U.S. Munitions List will be moved over to the Export Administration Regulations (EAR), which are administered by the Department of Commerce and where there does not exist a registration requirement for the mere manufacture of controlled items, nor is there an annual fee (however, licensing requirements for exports will remain but under EAR). However, fully automatic firearms and ammunition for linked or beltfed firearms will remain under ITAR.

While the proposal is extremely beneficial for many FFLs and it is not surprising that fully automatic firearms are remaining under ITAR, for some unknown reason, silencers, all silencer parts and defense services related thereto, will remain under ITAR (however, flash suppressors will be moved over under EAR). Additionally, magazine manufacturers that manufacture magazines that have a capacity in excess of 50 rounds must also continue to register under ITAR. This places a monumental burden on small and mid-sized silencer and magazine manufacturers, especially when one considers the compliance requirements and costs, beyond the yearly registration cost of \$2,250.

If you or your company wants to file a comment requesting that DDTC consider moving silencers, large capacity magazines, or other items over under EAR, contact Firearms Industry Consulting Group (FICG) to discuss your options, as FICG has a number of attorneys with the necessary experience and understanding of the issues surrounding Administrative Law, the Gun Control Act, the National Firearms Act, and the Arms Export Control Act to ensure that any comment is properly and thorough prepared.

For those interested in some of the comments that FICG has drafted and filed on behalf of Industry Members and itself in opposition to rulemaking by ATF, see:

FICG Files Comment in Opposition to ATF - 41P - ATF's proposed (and later enacted) rule to impose additional burdens on fictitious entity applications.<<https://blog.princelaw.com/2013/12/10/ficg-files-comment-in-opposition-to-atf-41p/>>

FICG Files Comment on behalf of David Goldman, Esq. of GunTrustLawyer.com in Opposition to ATF-41P<<https://blog.princelaw.com/2013/10/16/significant-comment-filed-in-opposition-to-atf-41p/>>

FICG Files Comment in Opposition to ATF 51P - ATF's proposed rule to ATF's to amend the definitions of "adjudicated as a mental defective" and "committed to a mental institution."<<https://blog.princelaw.com/2014/04/05/ficg-files-comment-in-opposition-to-atf-51p/>>

FICG Files Comment in Opposition to ATF 29P on Behalf of Dead Air Armament - ATF's advanced notice of proposed rulemaking regarding silencer engravings.<<https://blog.princelaw.com/2016/08/02/ficg-files-comment-in-opposition-to-atf-29p-on-behalf-of-dead-air-armament/>>

FICG Files Comment in Opposition to ATF's Proposed Changes to the 4473 Form<<https://blog.princelaw.com/2016/06/06/ficg-files-comment-in-opposition-to-atfs-proposed-changes-to-the-4473-form/>>

Link: <https://blog.princelaw.com/2018/05/15/trump-to-alleviate-itar-obligations-for-firearm-and-ammunition-manufactures-and-gunsmiths/>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

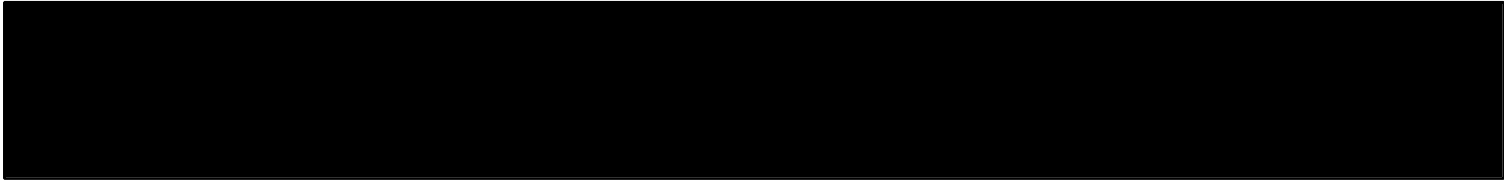
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From: Miller, Michael F <Millermf@state.gov>
Sent: Friday, July 27, 2018 12:01 PM
To: Paul, Joshua M; Rogers, Shana A; Freeman, Jeremy B; Heidema, Sarah J; Fabry, Steven F; Hart, Robert L
Cc: PM-CPA
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



MM


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From: Paul, Joshua M
Sent: Friday, July 27, 2018 11:57 AM
To: Miller, Michael F <Millermf@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Freeman, Jeremy B <FreemanJB@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>; Fabry, Steven F <FabrySF@state.gov>; Hart, Robert L <HartRL@state.gov>
Cc: PM-CPA <PM-CPA@state.gov>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



Official - SBU
UNCLASSIFIED

From: Miller, Michael F
Sent: Friday, July 27, 2018 11:56 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



Official - SBU
UNCLASSIFIED

From: Paul, Joshua M
Sent: Friday, July 27, 2018 10:14 AM
To: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Freeman, Jeremy B

<FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Heidema, Sarah J
<HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Fabry, Steven F
<FabrySF@state.gov<mailto:FabrySF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: FW: Reported State Department Spokesperson Statement on 3D Guns

Toplines

* The United States strictly regulates the export of defense articles, including related manufacturing technologies and information, as an integral part of safeguarding U.S. national security and furthering U.S. foreign policy objectives in accordance with the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).

* This was a voluntary settlement entered into following negotiations between the Department of State and the plaintiffs. The court did not rule in favor of the plaintiffs in this case. In other contexts, courts have upheld ITAR controls on technical data.

Additional Points

* The settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations to transfer oversight from the U.S. Department of State to the U.S. Department of Commerce of exports of firearms and related items that do not provide the United States with a critical military or intelligence advantage or, in the case of weapons, are not inherently for military end use, including many items that are widely available in retail outlets in the United States and abroad.

* These proposed regulations are part of an ongoing effort to create a simpler, more robust export control system that eases industry compliance, enhances enforceability, and better protects truly sensitive technologies.

* In addition to reducing regulatory burden on U.S. industry, these proposed regulations would eliminate the ITAR requirements at issue in this case, including the ITAR requirement to obtain U.S. Government authorization to post to the Internet technical data related to certain firearms and related items that are commercially available, such as those at issue in this case.

* In the course of formulating these proposed regulations, the U.S. Government conducted a national security analysis in the context of the rulemaking effort. Based on this analysis, it was determined that certain firearms and related items that are widely available for commercial sale, and technical data related to those items, is of a type that does not offer a critical military or intelligence advantage to the United States, per section 120.3 of the ITAR, and therefore warrants export licensing requirements under the U.S. Department of Commerce's jurisdiction.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 27, 2018 10:09 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Faulkner, Charles S <FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>
Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov> (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)<edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>; Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns

Can I get a copy of the statement?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 27, 2018 10:08 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Faulkner, Charles S <FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>
Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov> (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)<edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>; Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns

This is a mischaracterization - and a misquoting - of our statements to the press on this matter. What we have told media is that "the settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations" (emphasis mine), not because of the regulations - this line is intended to provide context, not cause.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 27, 2018 9:57 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Faulkner, Charles S <FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>
Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov> (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)<edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>; Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>
Subject: Reported State Department Spokesperson Statement on 3D Guns

So there was this ABC news story that said this:

In a lengthy statement, the State Department spokesperson said that the Trump administration settled because new government regulations make the case moot. The Commerce Department is taking over the regulation of certain firearms -- a change that was implemented under the Obama administration, but accelerated under the Trump administration as it seeks "to create a simpler, more robust export control system that eases industry compliance, enhances enforceability, and better protects truly sensitive technologies." <https://abcnews.go.com/Politics/state-department-defends-allowing-publication-blueprints-3d-print/story?id=56817152>

Is this is accurate, it would seem to be an admission of an intent to circumvent the CATs I-III regulatory legal process. What exactly did the State Dept person say?

From: McKeeby, David I <McKeebyDI@state.gov>
Sent: Tuesday, July 17, 2018 5:28 PM
To: Thompson, Nicole A.; PM-CPA
Cc: Loftus, Elizabeth; Kildow, Cassandra
Subject: RE: Request for Comment

Got it -

Thx!
Dave

David I. McKeeby
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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* e-mail: mckeebydi@state.gov<<mailto:mckeebydi@state.gov>> | * Web: www.state.gov/t/pm
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From: Thompson, Nicole A.
Sent: Tuesday, July 17, 2018 5:22 PM
To: McKeeby, David I <McKeebyDI@state.gov>; PM-CPA <PM-CPA@state.gov>
Cc: Loftus, Elizabeth <LoftusE@state.gov>; Kildow, Cassandra <KildowC@state.gov>
Subject: Re: Request for Comment

Thanks Dave.

We received one from NBC news too. Julia might have already fwded it to you.

From: McKeeby, David I
Sent: Tuesday, July 17, 2018 4:54 PM
To: Thompson, Nicole A.; PM-CPA
Cc: Loftus, Elizabeth; Kildow, Cassandra
Subject: RE: Request for Comment

Yes - we'll take it.

Best,
Dave

David I. McKeeby

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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From: Thompson, Nicole A.

Sent: Tuesday, July 17, 2018 4:54 PM

To: PM-CPA <PM-CPA@state.gov<<mailto:PM-CPA@state.gov>>>

Cc: Loftus, Elizabeth <LoftusE@state.gov<<mailto:LoftusE@state.gov>>>; Kildow, Cassandra
<KildowC@state.gov<<mailto:KildowC@state.gov>>>

Subject: Fw: Request for Comment

Sorry about the delay in sending this, but is this PM's bailiwick?

Nicole

From: Thompson, Nicole A. <ThompsonNA2@state.gov<<mailto:ThompsonNA2@state.gov>>>

Sent: Tuesday, July 17, 2018 3:29 PM

To: PA Press Duty

Subject: RE: Request for Comment

Got it.

From: Marrian Zhou <marrian.zhou@cbsinteractive.com<<mailto:marrian.zhou@cbsinteractive.com>>>

Sent: Tuesday, July 17, 2018 3:29 PM

To: PA Press Duty <PAPressDuty@state.gov<<mailto:PAPressDuty@state.gov>>>

Subject: Request for Comment

Hello,

My name is Marrian Zhou and I'm a reporter for CNET. I'm writing about your settlement with Defense Distributed over publications regarding 3D printed plastic guns. Does it worry you that more people will get their hands on this design of an undetectable weapon? Do you have any comments?

Thanks.

Best,

Marrian Zhou
Staff Reporter at CNET
(212) 380-0283
www.cnet.com<<http://www.cnet.com>>

Official
UNCLASSIFIED

From: Dudding, Maria <DuddingM@state.gov>
Sent: Thursday, July 12, 2018 8:42 AM
To: Clay, Noel C; ISN-Press-DL; PM-CPA
Subject: RE: Dallas Morning News request about settlement in Defense Distributed lawsuit

Hi Noel,

Good morning!

I was told by our SMEs that this is more in the PM lane.

Dave and Andy, for you?

Maria

From: Clay, Noel C
Sent: Wednesday, July 11, 2018 9:54 PM
To: Dudding, Maria <DuddingM@state.gov>; ISN-Press-DL <ISN-Press-DL@state.gov>
Subject: RE: Dallas Morning News request about settlement in Defense Distributed lawsuit

Thanks. I know it's come up about a year ago, but I'm not sure who owns it.

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From: Dudding, Maria
Sent: Wednesday, July 11, 2018 9:52 PM
To: Clay, Noel C <ClayNC2@state.gov<mailto:ClayNC2@state.gov>>; ISN-Press-DL <ISN-Press-DL@state.gov<mailto:ISN-Press-DL@state.gov>>
Subject: Re: Dallas Morning News request about settlement in Defense Distributed lawsuit

Noel, let me check with my guys.

Sent from my BlackBerry 10 smartphone.

From: Clay, Noel C
Sent: Wednesday, July 11, 2018 6:50 PM
To: ISN-Press-DL
Subject: FW: Dallas Morning News request about settlement in Defense Distributed lawsuit

ISN:

Is this in your corner?

Thanks,
Noel

From: Branham, Dana <dana.branham@dallasnews.com<<mailto:dana.branham@dallasnews.com>>>

Sent: Wednesday, July 11, 2018 6:26 PM

To: PA Press Duty <PAPressDuty@state.gov<<mailto:PAPressDuty@state.gov>>>

Subject: Dallas Morning News request about settlement in Defense Distributed lawsuit

Good evening,

My name is Dana Branham, and I'm a reporter with the Dallas Morning News. I had been referred to the Department of State by the Department of Justice after I'd inquired about the settlement in a lawsuit regarding a Texas organization called Defense Distributed.

I'm hoping to learn why this case was settled, or if the department has any statement on what the implications of the settlement could mean in terms of people being able to share digital files for 3-D printed guns.

My deadline is tomorrow at noon, if that's helpful.

Thank you for your time,

Dana

--

Dana Branham

Breaking news reporter, Dallas Morning News

o: 214-977-8673

c: 979-324-7894

Official

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From: Darrach, Tamara A <DarrachTA@state.gov>
Sent: Monday, July 23, 2018 1:59 PM
To: McCormick, Jamie; Paul, Joshua M
Subject: RE: Monthly Arms Transfer - Reschedule

No worries! 10 am.

From: McCormick, Jamie <Jamie.McCormick@mail.house.gov>
Sent: Monday, July 23, 2018 1:53 PM
To: Paul, Joshua M <PaulJM@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>
Subject: RE: Monthly Arms Transfer - Reschedule

Sorry, but I've lost track of when the Thursday meeting is to take place?

From: Paul, Joshua M [mailto:PaulJM@state.gov]
Sent: Monday, July 23, 2018 1:35 PM
To: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Yes, that's the intent.

Official
UNCLASSIFIED

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Monday, July 23, 2018 1:32 PM
To: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

So Tuesday would be 3-D guns and Thursday would be arms transfers?

From: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Sent: Monday, July 23, 2018 1:28 PM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

1pm works for me

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Monday, July 23, 2018 1:25 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Hi everyone,

We are available tomorrow morning (7/24) at 9:30 am, 1:00 pm or 3:30 pm for an unclassified briefing. Please let me know if a particular timeframe works best for you.

Thanks,
Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Monday, July 23, 2018 10:09 AM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Thanks. In the meantime, can PM provide us with the rationale as to why ITAR 126.2's conditions that this suspension is in the "security and foreign policy of the United States"? It's not immediately obvious.

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Monday, July 23, 2018 9:45 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Cc: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Hi David,

We are doing our best to line up briefers for tomorrow. We will circle back.

Thanks,
Tamara

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Monday, July 23, 2018 9:23 AM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'McCormick, Jamie' <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

I'm meeting with the PM A/S nominee at 2 on Tuesday. Can we do it before then?

From: Fite, David (Foreign Relations)
Sent: Friday, July 20, 2018 4:12 PM
To: 'Darrach, Tamara A' <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

I'm nervous having the briefing on the 3D Gun Settlement Agreement postponed until Thursday, the day before State has to suspend the regulations to apparently allow the publication of the production technology to the rest of the world. Can we have that briefing on Tuesday?

From: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Sent: Friday, July 20, 2018 4:08 PM
To: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Subject: RE: Monthly Arms Transfer - Reschedule

Apologies everyone, we have to reschedule since Secretary Pompeo will be testifying on Wednesday. Any chance you are available Thursday (7/26) at 10:00 am?

Thanks!
Tamara

From: Darrach, Tamara A [mailto:DarrachTA@state.gov]
Sent: Friday, July 13, 2018 2:26 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>
Subject: Monthly Arms Transfer

Good afternoon everyone,

Are you available for our monthly arms transfer briefing on July 25 at 10 am? Let me know.

Thanks!
Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Wednesday, July 25, 2018 5:01 PM
To: Kaidanow, Tina S
Cc: Miller, Michael F; Heidema, Sarah J; PM-CPA; Carter, Rachel; Steffens, Jessica L; Hart, Robert L; Litzenberger, Earle D (Lee)
Subject: DD Settlement: Cong/Pub State of Play
Attachments: Defense Distributed Settlement Alerts for 25 July 2018 (81.7 KB); Defense Distributed - S contingency QA (5).docx

Dear AMB Kaidanow,

This email provides a summary of today's Congressional and public interest in the pending Defense Distributed settlement.

Congressional

* SEN Menendez raised the settlement in his opening statement at S's Hearing, and SEN Markey posed a question on it to S during that hearing.

o CPA, DDTC and L/PM had fortunately cobbled together immediately before the Hearing a contingency bullet for S to use (attached). In the event, he told SEN Markey he'd "take a look at it". The Hearing remains ongoing at this hour.

* We have prepared a response to REP Engel's letter to S, which is on its way through you for clearance. We hope to provide the response in advance of tomorrow's signing of the Settlement letter.

* In addition, SEN Menendez issued a statement<<https://www.foreign.senate.gov/press/ranking/release/menendez-calls-on-secretary-pompeo-to-stop-online-posting-of-do-it-yourself-3-d-printable-gun-blueprints>> calling on S to "intervene and review" the settlement (he followed this up with a letter at 4.50pm), while Senators Nelson, Markey, Murphy, Blumenthal and Feinstein co-signed a letter<<https://twitter.com/SenBillNelson/status/1022130836664188928>> on the topic to the Attorney General.

* We also continue to receive clarifying questions from SFRC and HFAC staff subsequent to yesterday's briefing.

Public

* Media continues to pick up on this story; highlights today include an entire 45-minute segment of NPR's On Point dedicated<<http://www.wbur.org/onpoint/2018/07/25/3d-printing-gun-control>> to the topic, as well as expanding international media coverage.

* We understand that DDTC has received a large volume of calls and emails from the public in addition to the more formal media inquiries that CPA has been dealing with, and in addition to the automated outreach DDTC has encountered.

* Gun Control NGOs including the Brady Campaign, Giffords, Everytown, and Moms Demand Action have been highlighting the issue on social media in advance of the injunction they intend to submit tomorrow, and a petition on Change.org<https://www.change.org/p/stop-defense-distributed-from-releasing-downloadable-guns?recruiter=468357426&utm_source=share_petition&utm_medium=twitter&utm_campaign=psf_combo_share_initi>

[al...x7ixMjQ4TdqaDwV2_2_9Aw.3.rdHZAbL2TQyyB23KwLDCiQ.1&utm_term=385679](#)> has garnered almost 30,000 signatures, most of them today.

* A summary of today's press reporting on the topic is attached, and the Google Trends chart for worldwide searches on 3D guns is as follows:

[cid:image009.png@01D42439.169E35B0]

Thanks,

Josh

Josh Paul

Director, Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

* Phone: 202.647.7878 | * BlackBerry: 202.679.6724 | 7 Fax: 202.647.4055

* e-mail: PaulJM@State.Gov<<mailto:PaulJM@State.Gov>> | * Web: www.state.gov/t/pm
<<http://www.state.gov/t/pm%20/>>

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Official - SBU
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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Tuesday, May 29, 2018 9:44 AM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: NRA-ILA: Trump Administration's Proposed Rulemakings a Win-Win for America's Firearms Industry, National Security

[cid:image001.png@01D29279.128F6050]

Trump Administration's Proposed Rulemakings a Win-Win for America's Firearms Industry, National Security By NRA-ILA
25 May 2018

On Thursday, the Trump Administration published two rulemakings designed to enhance the competitiveness of American companies in the firearms and ammunition sectors, remove burdens for small businesses, and modernize export controls for the post-Cold War era. The moves will benefit both the domestic firearms industry and improve national security. The publication of the proposals also triggered a 45-day comment period during which members of the public can provide feedback on the plans and share their own experiences with the underlying regulations.

The rulemakings are part of a larger, longstanding project to modernize America's export regime for military and "dual-use" equipment and technology. Dual-use items are those considered to have both military and civilian applications. The governing philosophy of the project is to "build a taller fence around a smaller yard" by strengthening controls on the most militarily sensitive items while allowing less sensitive material with well-established civilian uses and markets to be subject to a more business-friendly regulatory climate.

They two big players overseeing U.S. exports are the State Department, which administers the International Trafficking in Arms Regulations (ITAR) and the U.S. Commerce Department, which handles the Export Administration Regulations (EAR). The items regulated by the ITAR are on what is known as the U.S. Munitions List (USML), while those subject to the EAR are on the Commerce Control List (CCL).

Whether on the USML or CCL, however, the items are still subject to close government oversight, including the requirement in most cases that any person or entity wishing to export them to any foreign nation get a federally-issued license to do so.

Nevertheless, items on the USML controlled under ITAR are generally treated more strictly, with national and international security considerations trumping all other factors in the granting of licenses. Any business that manufactures an item on the USML, or even just a part or component of such an item, also has to register with the State Department and pay an annual fee, which is currently set at \$2,250. This registration is required even if the manufacturer has no intent to ever export the items. Compliance fees, including for licenses, are also generally higher for USML items, given the complexity of the regulations and the more stringent vetting given to license applications.

Manufacturers of items on the CCL, or their parts or components, do not have to pay an annual registration fee to the Commerce Department. Moreover, regulation of these items is more flexible to promote the goal of increasing U.S. manufacturers' and businesses' worldwide competitiveness.

By properly apportioning export control between the two lists, the government will be able to apply maximum resources to overseeing the most consequential and sensitive equipment, while giving American businesses who manufacture consumer products a larger footprint in international markets. The result is greater security and a more robust U.S. economy.

Currently, most firearms and ammunition (with the exception of certain sporting shotguns and shotgun shells) are controlled under ITAR and the USML. This has led to a host of problems for gun-related businesses in the U.S. and made it more difficult for U.S. businesses in this sector to be competitive internationally.

First, many American firearm businesses are small operations that do not export their products and never intend to do so but still have to pay annual registration fees to the State Department because what they do is considered “manufacturing.” So if a U.S. company that manufactures springs wants to branch out into magazine or recoil springs for firearms, for example, it has to pay the State Department’s registration fee, even if those springs are exclusively sold in the U.S.

On the other hand, if a foreign company wanted to use those springs in the firearms it manufactures abroad, it would have pay more for doing so because of all the ITAR red tape the U.S. spring maker would have to go through to export the springs. This makes the U.S. springs a less attractive option.

Two other problems that arose with the ITAR during the Obama administration concern what is considered controlled “technical data” and who is considered a regulated “manufacturer.”

As we reported at the time, part of building the “taller fence” for export control involved an initiative to tighten up rules for the “export” of “technical data.” In practice, this meant that publishers of technical information about firearms and ammunition – including exploded parts diagrams, gunsmithing tutorials, and handloading information – risked being swept up into the ITAR’s regulatory scope, particularly for items posted online.

Obama’s State Department also issued a confusing “guidance” document that expansively defined firearm “manufacturing” to include various common gunsmithing operations performed on existing firearms. This drove many smaller gunsmiths to limit or quit their business activity for fear of triggering the ITAR’s registration requirements or of incurring inadvertent violations that could bring ruinous penalties.

All of these problems would be alleviated if the Trump administration’s rules were enacted as proposed, as most non-automatic firearms of .50 caliber or less, as well as their parts, components, accessories, and magazines of up to 50 rounds capacity, would be moved from the USML to the CCL.

Another Obama-era ITAR change made it much more difficult for private individuals to travel abroad with personally owned firearms for lawful purposes such as hunting or competition because of an added requirement to document the “export” through an official website designed for commercial exporters. That requirement, unfortunately, would persist under the current version of the Commerce Department proposal but might be changed if affected parties explained their concerns during the comment period.

A further basis for comment could include the rules’ treatment of sound suppressors. Although these items are very common among hunters and recreational shooters both in the U.S. and abroad and do not provide the U.S. or its allies with any special military advantage, the published proposals would leave them on the USML.

The easiest way to file comments is through the U.S. government’s online regulatory portal, Regulations.gov. The State Department’s proposed rule and comment form are available at this link. Use this link for the Commerce Department’s proposal.

President Trump promised to be a friend to America’s gun owners, and these proposed rules show him making good on that pledge. Your input will encourage the Commerce and State departments to see these rules through to final enactment and help guide the process in the most positive direction possible. The NRA has long advocated for these changes and is extremely pleased to see progress being made toward that end.

Link: <https://www.nraila.org/articles/20180525/trump-administration-s-proposed-rulemakings-a-win-win-for-americas-firearms-industry-national-security>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov<mailto:MarquisMR@state.gov> | Web: www.state.gov/t/pm

/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Paul, Joshua M <PaulJM@state.gov>
Sent: Tuesday, July 24, 2018 12:11 PM
To: Heidema, Sarah J; Hart, Robert L; Freeman, Jeremy B; Rogers, Shana A; Darrach, Tamara A; Miller, Michael F
Subject: RE: SFRC/HFAC Brief on DD Settlement

DOJ informs they will not be able to join us.

L colleagues - are you clear on how to get to this meeting? If not, would you like to cab up together, meeting in the HST lobby at 1230?

Josh

-----Original Appointment-----

From: Paul, Joshua M
Sent: Monday, July 23, 2018 1:30 PM
To: Paul, Joshua M; Heidema, Sarah J; Hart, Robert L; Freeman, Jeremy B; Rogers, Shana A; Darrach, Tamara A; Miller, Michael F
Subject: SFRC/HFAC Brief on DD Settlement
When: Tuesday, July 24, 2018 1:00 PM-2:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: 423 Senate Dirksen Office Building

Please allow time for travel on either end.

In addition to trying to get DOJ, do we need Commerce?

Official
UNCLASSIFIED

From: Miller, Michael F <Millermf@state.gov>
Sent: Friday, July 20, 2018 11:18 AM
To: Heidema, Sarah J
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Attachments: Defense Distributed Settlement Agreement 6-28-8.pdf
Importance: High

Further to your point(s), Hill now asking to be briefed ASAP...

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov>; Miller, Michael F <Millermf@state.gov>; Paul, Joshua M <PaulJM@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

Official
UNCLASSIFIED

From: Rice, Edmund <Edmund.Rice@mail.house.gov>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <Millermf@state.gov>; Paul, Joshua M <PaulJM@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Fite, David <david_fite@foreign.senate.gov>; Oliver, Stacie <stacie_oliver@foreign.senate.gov>
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Importance: High

Mike, et.al.:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.
In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.
Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.
Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 20, 2018 3:20 PM
To: Oliver, Stacie (Foreign Relations); Paul, Joshua M
Cc: Rice, Edmund; Miller, Michael F; Darrach, Tamara A; McCormick, Jamie
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Will State be bringing TSA and Justice reps to the briefing?

From: Oliver, Stacie (Foreign Relations)
Sent: Friday, July 20, 2018 3:15 PM
To: Paul, Joshua M <PaulJM@state.gov>
Cc: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; Rice, Edmund <Edmund.Rice@mail.house.gov>; Miller, Michael F <Millermf@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>; McCormick, Jamie <Jamie.McCormick@mail.house.gov>
Subject: Re: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

If like to add two questions here - how are other countries handling this software issue? And, has TSA provided and opinions on the detectability of plastic firearms if packed in pieces?

Thanks!

Sent from my iPhone

On Jul 20, 2018, at 2:42 PM, Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>> wrote:
We're working on putting something together and I have noted both the timeline you have indicated, as well as the obvious importance you place on this matter (a perspective we of course share), to our team, and will get back to you as soon as I have any updates.

Josh

Official - SBU
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 2:33 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

State apparently agreed to invoke the suspension under 126.2 by 7/27. Will State be doing this on the 27th for before? Will State do it before briefing us next week?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 2:25 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

I will pass back these questions to our team, and we look forward to discussing them with you in person to the extent that they fall within the context of our responsibilities under the AECA.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 2:10 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

But it's State's changes that are allowing this to be implemented right? And it's these changes that State will take, especially pursuant to the authority in 126.2, that will allow this information to be disseminated worldwide without a license, without penalty, right?

Do you mean to tell us this question did not arise or was not fully considered during the (presumably) interagency deliberation on the settlement agreement? Or do you have answers to these questions, but State isn't willing to tell us?

Additionally, State is about take an action to suspend the application of ITAR restrictions on the publication of controlled information/technology on the Internet for a temporary period of time, BEFORE the reg change transferring the defense items that the information/tech pertains to becomes final. And what if that reg change does not become final, or is different from the draft rule? In that instance, State will have allowed the worldwide transfer of export-controlled information "in the interest of the security and foreign policy of the United States"?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 2:01 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hi David,

We would need to refer you to TSA or other law enforcement organizations on this question. The DDTC nexus on this issue was/is limited to our role in controlling exports of tech data, which is the only reason we got involved in the first place.

Josh

Official - SBU
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 1:38 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Also, what are the law enforcement and counter-terrorism implications of this change? Enabling the widespread acquisition of undetectable or largely-undetectable firearms would seem to be a bad idea, especially in protection of domestic and international airline flights from terrorist hijacking/attacks. What changes will be required by TSA here and abroad to deal with this?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:42 AM
To: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Understood, and that's helpful information. We'll round back and be in touch.

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From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:32 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

A phone call would be only a first step for we four. I expect that as news of this settlement spreads, there will be a requirement to brief a number of Congressional staff and then Members.

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:21 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hello,

We've actually been in the process of putting together a briefing for you on this - with the intent being to provide a phone call early next week. Would that work?

Josh

Official
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua <pauljm@state.gov<mailto:pauljm@state.gov>>; Darrach, Tamara <darrachta@state.gov<mailto:darrachta@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Importance: High

Mike, et.al<https://urldefense.proofpoint.com/v2/url?u=http-3A__et.al&d=DwQFAG&c=L93KkKjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7_ZRFYXD_2-oNGpZDaSv48lvvk3sok_Kc-8ucoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E_XypzmUYkPwY&s=WDbfGOTuqtodfudKGj_R9heOE3es9SbkzJomT50T-7pA&e=:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

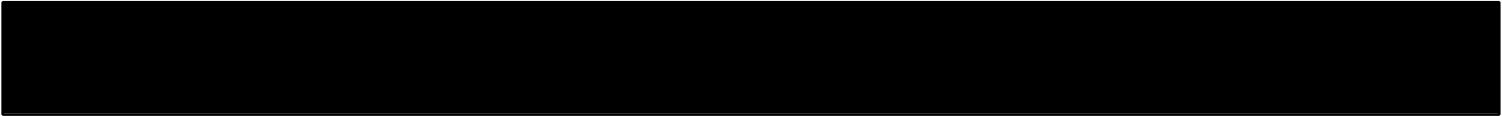
In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Friday, July 27, 2018 12:25 PM
To: Rogers, Shana A; Miller, Michael F; Freeman, Jeremy B; Heidema, Sarah J; Fabry, Steven F; Hart, Robert L
Cc: PM-CPA
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



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From: Rogers, Shana A
Sent: Friday, July 27, 2018 12:22 PM
To: Paul, Joshua M <PaulJM@state.gov>; Miller, Michael F <MillerMF@state.gov>; Freeman, Jeremy B <FreemanJB@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>; Fabry, Steven F <FabrySF@state.gov>; Hart, Robert L <HartRL@state.gov>
Cc: PM-CPA <PM-CPA@state.gov>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns


Josh,



Thanks,
Shana

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From: Paul, Joshua M
Sent: Friday, July 27, 2018 12:11 PM
To: Rogers, Shana A; Miller, Michael F; Freeman, Jeremy B; Heidema, Sarah J; Fabry, Steven F; Hart, Robert L
Cc: PM-CPA
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



Official - SBU
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From: Rogers, Shana A
Sent: Friday, July 27, 2018 12:10 PM

To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns


Josh,



Thanks,
Shana


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From: Paul, Joshua M
Sent: Friday, July 27, 2018 11:57 AM
To: Miller, Michael F; Rogers, Shana A; Freeman, Jeremy B; Heidema, Sarah J; Fabry, Steven F; Hart, Robert L
Cc: PM-CPA
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



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From: Miller, Michael F
Sent: Friday, July 27, 2018 11:56 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns



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From: Paul, Joshua M
Sent: Friday, July 27, 2018 10:14 AM
To: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: FW: Reported State Department Spokesperson Statement on 3D Guns

Toplines

* The United States strictly regulates the export of defense articles, including related manufacturing technologies and information, as an integral part of safeguarding U.S. national security and furthering U.S. foreign policy objectives in accordance with the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).

* This was a voluntary settlement entered into following negotiations between the Department of State and the plaintiffs. The court did not rule in favor of the plaintiffs in this case. In other contexts, courts have upheld ITAR controls on technical data.

Additional Points

* The settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations to transfer oversight from the U.S. Department of State to the U.S. Department of Commerce of exports of firearms and related items that do not provide the United States with a critical military or intelligence advantage or, in the case of weapons, are not inherently for military end use, including many items that are widely available in retail outlets in the United States and abroad.

* These proposed regulations are part of an ongoing effort to create a simpler, more robust export control system that eases industry compliance, enhances enforceability, and better protects truly sensitive technologies.

* In addition to reducing regulatory burden on U.S. industry, these proposed regulations would eliminate the ITAR requirements at issue in this case, including the ITAR requirement to obtain U.S. Government authorization to post to the Internet technical data related to certain firearms and related items that are commercially available, such as those at issue in this case.

* In the course of formulating these proposed regulations, the U.S. Government conducted a national security analysis in the context of the rulemaking effort. Based on this analysis, it was determined that certain firearms and related items that are widely available for commercial sale, and technical data related to those items, is of a type that does not offer a critical military or intelligence advantage to the United States, per section 120.3 of the ITAR, and therefore warrants export licensing requirements under the U.S. Department of Commerce's jurisdiction.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>

Sent: Friday, July 27, 2018 10:09 AM

To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Faulkner, Charles S <FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>

Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov> (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)

<edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>;

Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>

Subject: RE: Reported State Department Spokesperson Statement on 3D Guns

Can I get a copy of the statement?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>

Sent: Friday, July 27, 2018 10:08 AM

To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Faulkner, Charles S <FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>

Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov> (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)

<edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>;

Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>

Subject: RE: Reported State Department Spokesperson Statement on 3D Guns

This is a mischaracterization - and a misquoting - of our statements to the press on this matter. What we have told media is that "the settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations" (emphasis mine), not because of the regulations - this line is intended to provide context, not cause.

Official - SBU

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>

Sent: Friday, July 27, 2018 9:57 AM

To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Faulkner, Charles S <FaulknerCS@state.gov<mailto:FaulknerCS@state.gov>>

Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov> (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)

<edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>;

Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>

Subject: Reported State Department Spokesperson Statement on 3D Guns

So there was this ABC news story that said this:

In a lengthy statement, the State Department spokesperson said that the Trump administration settled because new government regulations make the case moot. The Commerce Department is taking over the regulation of certain firearms -- a change that was implemented under the Obama administration, but accelerated under the Trump administration as it seeks "to create a simpler, more robust export control system that eases industry compliance,

enhances enforceability, and better protects truly sensitive technologies." <https://abcnews.go.com/Politics/state-department-defends-allowing-publication-blueprints-3d-print/story?id=56817152>

Is this is accurate, it would seem to be an admission of an intent to circumvent the CATs I-III regulatory legal process. What exactly did the State Dept person say?

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Monday, July 23, 2018 12:08 PM
To: Darrach, Tamara A
Subject: Briefing on Defense Distributed Settlement

We and L/PM can do any time tomorrow. It will be unclassified. Can you see when works for the staff, and let me know if you've had any response from DOJ?

Thanks so much,

Josh

Josh Paul
Director, Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

* Phone: 202.647.7878 | * BlackBerry: 202.679.6724 | 7 Fax: 202.647.4055
* e-mail: PaulJM@State.Gov<<mailto:PaulJM@State.Gov>> | * Web: www.state.gov/t/pm
<<http://www.state.gov/t/pm%20/>>

[<https://g.twimg.com/twitter-bird-16x16.png>] <http://twitter.com/StateDeptPM>

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Plus]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

This message is UNCLASSIFIED, per E.O. 12958

Official
UNCLASSIFIED

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Thursday, May 24, 2018 4:28 PM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: The Hill: Deregulating firearms exports risks putting guns in the wrong hands

[cid:image001.png@01D29279.128F6050]

Deregulating firearms exports risks putting guns in the wrong hands By William D. Hartung
24 May 2018

The Trump administration just released a new rule that will make it easier for terrorists, tyrants, and criminal gangs to receive U.S.-supplied guns and ammunition. This is great news for the NRA and the gun industry, which has supported these changes. But it's bad news for everyone else.

If implemented, the new rule will move regulation of sales of semi-automatic weapons, pistols, and sniper rifles from the State Department to the Commerce Department, according to an analysis of the regulations done by Kristen Rand of the Violence Policy Center.

That will mean less scrutiny and less careful tracking of these sales, which will increase the probability of U.S. guns falling into the wrong hands. The State Department is set up to vet potential firearms sales on human rights and security grounds, while the Commerce Department's ethos, as one might expect, is to push exports. While other agencies will still be able to weigh in, making Commerce the lead agency will no doubt lead to greater sales and less scrutiny. That's what the gun makers are counting on. In fact, the National Shooting Sports Federation(NSSF) - the trade association for the firearms industry - estimates that U.S. firearms exports could increase by up to 20 percent under the new rules.

This is not merely an administrative shift. The guns that will be moved to Commerce's jurisdiction include AR-15 rifles of the sort used in the Parkland, Florida school shooting; sniper rifles that could be used against U.S. troops; and AK-47-style semi-automatic weapons of the kind that are the weapon of choice in the world's most vicious and violent civil wars. Proponents of curbing the global trade in small arms and light weapons have rightly dubbed the AK-47 and its various knock-offs as "slow motion weapons of mass destruction."

To add insult to injury, the new regulations would end the vital procedure of notifying Congress of firearms deals worth more than \$1 million. These notifications have tipped off Congress to ill-advised offers like the proposed sale of rifles to the police in the Philippines, which have been implicated in assassinations of their own citizens. Sen. Ben Cardin (D-Md.) was able to stop that particular deal, but he has noted that the new rules may prevent him from stopping similar deals in the future, simply because Congress will not get an official heads up as to what kinds of exports are being proposed.

The United States is already a significant exporter of firearms and related equipment, with over \$662 million in deals notified to Congress in 2017 alone, according to an analysis by the Security Assistance Monitor. Two of the top five recipients were Saudi Arabia and the United Arab Emirates, leaders of a coalition that is engaged in a brutal war in Yemen that has killed thousands of civilians and pushed that nation to the brink of famine.

The sales of M-4 and M-16 rifles and machine guns to the UAE are of particular concern, as the UAE is the main ground force involved in the invasion of Yemen, and has relationships with militias that have been linked to major human rights abuses, including torture.

The Trump administration's regulations have drawn sharp criticism from domestic organizations working to end gun violence, including the group founded by former Rep. Gabby Giffords (D-Ariz.), who has stated that the proposed changes "set a dangerous precedent that allows the administration to act on its own and in the process create further instability in places where people are already suffering."

The proposed deregulation of global gun sales is not a done deal. There is a 45-day comment period during which concerned citizens and members of Congress can weigh in on what is right and what is wrong with the administration's proposed approach.

At the very minimum, the rule should be adjusted to restore the process of notifying Congress of major deals. Ideally, the relaxation on rules on exporting firearms should be blocked altogether, but that will be a tough fight given that the NRA, the gun industry, and the Trump administration are joined at the hip on this issue. That's why it is imperative to speak out loudly and clearly against this dangerous and counterproductive initiative.

Link: <http://thehill.com/opinion/national-security/389255-deregulating-firearms-exports-risks-putting-guns-in-the-wrong-hands>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov | Web: www.state.gov/t/pm
/ <<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Paul, Joshua M <PaulJM@state.gov>
Sent: Friday, July 20, 2018 3:27 PM
To: Fite, David (Foreign Relations); Oliver, Stacie (Foreign Relations)
Cc: Rice, Edmund; Miller, Michael F; Darrach, Tamara A; McCormick, Jamie
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

I'll pass your request (and Stacie's questions) back.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 20, 2018 3:20 PM
To: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>; Paul, Joshua M <PaulJM@state.gov>
Cc: Rice, Edmund <Edmund.Rice@mail.house.gov>; Miller, Michael F <Millermf@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>; McCormick, Jamie <Jamie.McCormick@mail.house.gov>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Will State be bringing TSA and Justice reps to the briefing?

From: Oliver, Stacie (Foreign Relations)
Sent: Friday, July 20, 2018 3:15 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Cc: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>
Subject: Re: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

If like to add two questions here - how are other countries handling this software issue? And, has TSA provided and opinions on the detectability of plastic firearms if packed in pieces?

Thanks!

Sent from my iPhone

On Jul 20, 2018, at 2:42 PM, Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>> wrote:
We're working on putting something together and I have noted both the timeline you have indicated, as well as the obvious importance you place on this matter (a perspective we of course share), to our team, and will get back to you as soon as I have any updates.

Josh

Official - SBU
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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 2:33 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund
<Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie
(Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

State apparently agreed to invoke the suspension under 126.2 by 7/27. Will State be doing this on the 27th for before?
Will State do it before briefing us next week?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 2:25 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice,
Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie
(Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

I will pass back these questions to our team, and we look forward to discussing them with you in person to the extent
that they fall within the context of our responsibilities under the AECA.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 2:10 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund
<Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie
(Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

But it's State's changes that are allowing this to be implemented right? And it's these changes that State will take,
especially pursuant to the authority in 126.2, that will allow this information to be disseminated worldwide without a
license, without penalty, right?

Do you mean to tell us this question did not arise or was not fully considered during the (presumably) interagency
deliberation on the settlement agreement? Or do you have answers to these questions, but State isn't willing to tell us?

Additionally, State is about take an action to suspend the application of ITAR restrictions on the publication of controlled
information/technology on the Internet for a temporary period of time, BEFORE the reg change transferring the defense
items that the information/tech pertains to becomes final. And what if that reg change does not become final, or is
different from the draft rule? In that instance, State will have allowed the worldwide transfer of export-controlled
information "in the interest of the security and foreign policy of the United States"?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 2:01 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hi David,

We would need to refer you to TSA or other law enforcement organizations on this question. The DDTC nexus on this issue was/is limited to our role in controlling exports of tech data, which is the only reason we got involved in the first place.

Josh

Official - SBU
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 1:38 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Also, what are the law enforcement and counter-terrorism implications of this change? Enabling the widespread acquisition of undetectable or largely-undetectable firearms would seem to be a bad idea, especially in protection of domestic and international airline flights from terrorist hijacking/attacks. What changes will be required by TSA here and abroad to deal with this?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:42 AM
To: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Understood, and that's helpful information. We'll round back and be in touch.

Official
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From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:32 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

A phone call would be only a first step for we four. I expect that as news of this settlement spreads, there will be a requirement to brief a number of Congressional staff and then Members.

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:21 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hello,

We've actually been in the process of putting together a briefing for you on this - with the intent being to provide a phone call early next week. Would that work?

Josh

Official
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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua <pauljm@state.gov<mailto:pauljm@state.gov>>; Darrach, Tamara <darrachta@state.gov<mailto:darrachta@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>

Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Importance: High

Mike, et.al<https://urldefense.proofpoint.com/v2/url?u=http-3A__et.al&d=DwQFAG&c=L93KkjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7_ZRFYXD_2-oNGpZDaSv48lvvk3sok_Kc-8ucoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E_XypzmUYkPwY&s=WDbfGOTuqtodfudKGj_R9heOE3es9SbkzJomT50T-7pA&e=>

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, May 16, 2018 4:12 PM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: Accurate Shooter: Good News for Gunsmiths — Major ITAR Changes Coming

[cid:image001.png@01D29279.128F6050]

Good News for Gunsmiths — Major ITAR Changes Coming By Accurate Shooter
16 May 2018

This is good news for gunsmiths and small manufacturers who have been threatened by onerous regulations (and huge fees), under ITAR. With a Republican President in the White House, it looks like the Departments of Commerce and State are moving towards removing common gunsmithing activities (such as threading barrels or fitting brakes) that were potentially under the purview of ITAR. In addition, possible Federal rule changes would broadly move firearms and ammunition out from ITAR regulation. Generally speaking, it appears that the proposed rule changes will make Federal law more tolerant, so that producers of small firearms accessory parts would no longer have to register as ITAR manufacturers (with hefty annual fees).

As part of the Export Control Reform (ECR) initiative and ahead of expected publication in the Federal Register this week, the Departments of Commerce and State have posted the new proposed rules transitioning export licensing of sporting and commercial firearms and ammunition from the ITAR-controlled U.S. Munitions List (USML) to the EAR-controlled Commerce Control List. Thus, items removed from the USML would become subject to the Export Administration Regulations (EAR).

The NSSF states: “The new proposed rules represent significant change in the regulations controlling exports of our products, and all exporters need to review these important proposed rules.

NSSF is preparing comments on the rules for formal submission. We will be sending out a recap of the changes in the next few days. Please make sure all your export specialists have a chance to review and provide comments. NSSF will be drafting a comments letter for both rules based on this review.”

Link: <http://bulletin accurateshooter.com/2018/05/good-news-for-gunsmiths-major-itar-changes-coming/>

Matthew Marquis
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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30]<<http://www.flickr.com/photos/statephotos>>[cid:image006.png@01CF5314.69A33A30]<<http://www.youtube.com/user/statevideo>>[cid:image007.png@01CF5314.69A33A30]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Tuesday, June 12, 2018 4:46 PM
To: Steffens, Jessica L; PM-Strategy
Cc: Steffens, Jessica L; PM-Strategy; PM-CPA; Brown, Stanley L; O'Keefe, Kevin P; Miller, Michael F; Mak, Daniella; Martin, Davette T; Dudding, Maria; Litzenberger, Earle D (Lee); Nute, Kathryn M
Subject: CPA Media Monitoring: 12 June 2018

[cid:image001.png@01D29279.128F6050]

Alerts for 12 June 2018

"Danish defense minister not worried about trade war impact on buying US weapons"<<https://www.defensenews.com/smr/nato-priorities/2018/06/12/danish-defense-minister-not-worried-about-trade-war-impact-on-buying-us-weapons/>>, Denmark recently reached a new defense funding agreement that will see the nation grow its defense spending by 20 percent through 2023. Under that agreement, it will be investing heavily in planned modernization, including buying American-made F-35 fighters, MH-60 Seahawk helicopters and SM-6 missiles.

"U.S. State Department OKs possible helicopter support sale to India: Pentagon"<<https://www.reuters.com/article/us-lockheed-pentagon-india/us-state-department-oks-possible-helicopter-support-sale-to-india-pentagon-idUSKBN1J826V>>, The U.S. State Department has approved a possible \$930 million sale to India of items in support of a proposed direct commercial sale of six AH-64E Apache helicopters, a Pentagon agency said on Tuesday.

"What does America's ambassador to NATO see for the alliance's future?"<<https://www.defensenews.com/smr/nato-priorities/2018/06/12/what-does-americas-ambassador-to-nato-see-for-the-alliances-future/>>, I think PESCO itself is the administrative procedure, are not yet locked in, and I think that is going to be a very important signal about whether PESCO is going to open with a level playing field for American companies to be treated the same way a European country or an allied country is treated in a defense contract here.

"US provides body armour to Philippines"<<https://www.shephardmedia.com/news/special-operations/us-military-provides-ppe-marsog/>>, The PPE, worth \$3.4 million, has been provided through the US government's Counterterrorism Train and Equip Program. Equipment includes 525 sets of ballistic vests, lightweight ballistic plates, tactical ballistic helmets and accessories.

"Firearms Export Control Reform (ECR) - Opportunities for International Retail Sales"<<https://www.ammoland.com/2018/06/firearms-export-control-reform-ecr-opportunities-for-international-retail-sales/#axzz5IEPjbAfJ>>, If the dream of retail exporters of firearms, components or accessories is for international transactions to be no more complicated than domestic sales, ECR will put that dream almost within reach for sellers who implement the right systems.

"Geopolitics in the Indo-Pacific Calls for Flexible Geometry, Not Fixed Attachments"<<https://thewire.in/diplomacy/geopolitics-in-the-indo-pacific-calls-for-flexible-geometry-not-fixed-attachments>>, It is obvious that India's partnership with the United States is a key factor in her foreign policy today. The multi-faceted strategic relationship between the two democracies can be a key balancer to China in the Indo-Pacific.

"U.S. drone-strike policy threatens to backfire as other nations acquire technology"<<https://www.washingtontimes.com/news/2018/jun/11/us-drone-strike-policy-threatens-backfire-nations->

/>, According to a running tally kept by the Washington-based New America Foundation, 23 countries have acquired or developed military drones. They include allies such as Britain and France and adversaries such as Iran.

"Minister Dames Highlights Re-Structured RBDF Training"<<http://jonesbahamas.com/minister-dames-highlights-re-structured-rbdf-training/>>, Minister Dames said that the 2017-2018 fiscal period also afforded Defence Force Officers and Marines the opportunity to participate in a host of local and overseas military training throughout the United States, various parts of Europe, and the Caribbean. Provisions had been made in the 2018/19 budget for Defence Force personnel to continue to engage in those courses, which are mostly sponsored by the US State Department under its International Military Education Training Programme, he added.

"Proposed export reform will boost international gun sales, industry expects"<<http://www.guns.com/2018/06/12/proposed-export-reform-will-boost-international-gun-sales-industry-expects/>>, The rule change would give American manufacturers more leeway to sell guns internationally. Lawrence Keane, senior vice president for the National Shooting Sports Foundation, said in September relaxed restrictions would boost annual gun sales by as much as 20 percent.

"US loses leverage to stop Yemen operation"<<http://www.al-monitor.com/pulse/originals/2018/06/us-loses-leverage-stop-yemen-hodeidah-operation.html#ixzz5IEDADlgR>>, The letter comes as Congress has been increasingly frustrated in recent months by perceptions that the Trump administration is overriding legislative authority to expand US participation in the Yemen war. In May, Reuters reported that Congress is reviewing the sale of more than 120,000 precision-guided munitions that will be used in the conflict, laying the groundwork for a potential fight on the Senate floor.

"After Singapore summit, Congress must navigate a path to normalization"<<http://thehill.com/opinion/national-security/391762-after-the-summit-congress-must-help-navigate-a-path-to>>, Despite the enduring centrality of the U.S.-ROK alliance to South Korean security, if inter-Korean relations improve, South Korea may seek greater autonomy in managing the normalization of the peninsula. Left-leaning voices in South Korea's National Assembly could return to their refrain that South Koreans are subsidizing U.S. troops that are mainly charged with U.S. power projection into Northeast Asia, rather than deterring a North Korean attack.

"As European defense evolves, here's how industry is responding"<<https://www.defensenews.com/digital-show-dailies/eurosatory/2018/06/12/as-european-defense-evolves-heres-how-industry-is-responding/>>, FMS is a slow and laborious process. It hinders industry from capitalizing on market opportunities. The more we can change the paradigm and partner with the government side to do more [direct sales], the more they will benefit long term because they get the volume to drive down prices, and allow us to recoup funds to invest in future technology.

"After the fight: Afghanistan as a strategic opportunity"<<http://thehill.com/opinion/international/391543-after-the-fight-afghanistan-as-a-strategic-opportunity>>, From us, Afghanistan could expect aid and security assistance. Our presence would provide stability and establish the United States as a buffer to great power rivalry.

"Norway to invite more U.S. Marines, for longer and closer to Russia"<<https://www.reuters.com/article/us-norway-us-russia/norway-to-invite-more-u-s-marines-for-longer-and-closer-to-russia-idUSKBN1J8149>>, Oslo will ask Washington to send 700 Marines from 2019, compared with 330 presently. The additional numbers will be based closer to the border with Russia in the Inner Troms region in the Norwegian Arctic, rather than in central Norway.

"US lauds Taiwan ties in dedication of new de-facto embassy"<https://www.washingtonpost.com/world/asia_pacific/us-lauds-its-ties-with-taiwan-on-dedication-of-new-office/2018/06/12/f11b0d4c-6dfb-11e8-b4d8-eaf78d4c544c_story.html?utm_term=.01b8638d6c3b>, Still, the United States has not sold F-35 fighter jets, as requested by Taipei, offered actual submarines or docked a naval vessel in Taiwan despite talk in Washington.

"Lawmakers circulate 'urgent call' for Mattis to prevent 'catastrophic' Yemen offensive"<<http://thehill.com/policy/defense/391692-lawmakers-circulate-urgent-call-for-mattis-to-prevent>>

catastrophic-

yemen?utm_source=Sailthru&utm_medium=email&utm_campaign=EBB%206.12.18&utm_term=Editorial%20-%20Early%20Bird%20Brief>, Earlier this year, the Senate blocked a resolution that would have ended U.S. military support to the campaign, though the vote margin was narrower than expected. Following that vote, a provision was added to the Senate version of an annual defense policy bill that would make U.S. refueling of coalition aircraft conditional on the coalition meeting certain criteria.

"European Defense Agency chief questions 'unhealthy' defense trade with the US"<https://www.defensenews.com/digital-show-dailies/eurosatory/2018/06/11/european-defense-agency-chief-questions-unhealthy-defense-trade-with-the-us/?utm_source=Sailthru&utm_medium=email&utm_campaign=EBB%206.12.18&utm_term=Editorial%20-%20Early%20Bird%20Brief>, The chief of the European Defense Agency said Europe must wean itself from U.S. high-tech weaponry, proposing that arms deals with Washington could decrease in an effort to achieve greater "strategic autonomy" for the continent.

"Trump Says to Stop 'Expensive', 'Provocative' South Korea War Games"<https://www.nytimes.com/reuters/2018/06/12/world/asia/12reuters-northkorea-usa-wargames.html?rref=collection%2Fsectioncollection%2Freuters-world&action=click&contentCollection=world®ion=stream&module=stream_unit&version=latest&contentPlacement=2&pgtype=sectionfront>, U.S. President Donald Trump said on Tuesday the United States was stopping "very provocative" and costly military exercises with South Korea to facilitate denuclearization negotiations with North Korea.

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov<<mailto:MarquisMR@state.gov>> | Web: www.state.gov/t/pm
/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

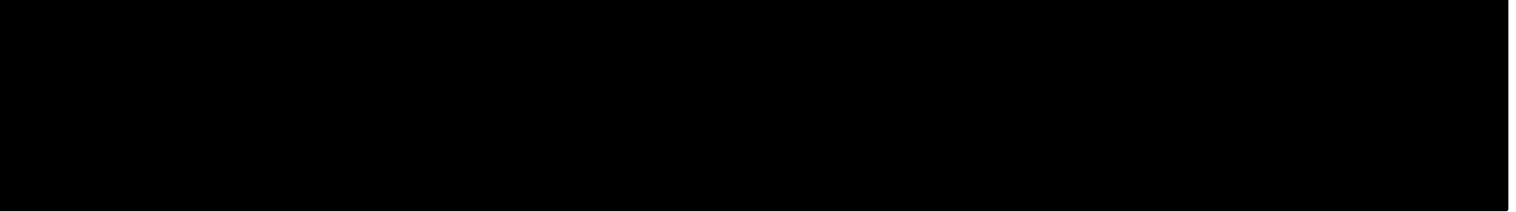
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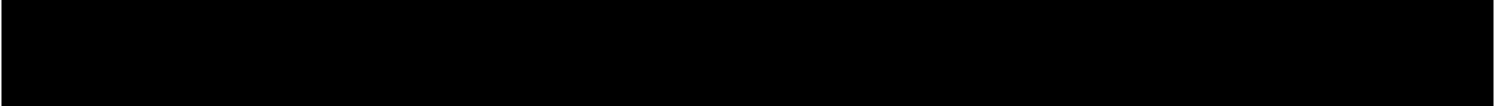
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From: Monjay, Robert <MonjayR@state.gov>
Sent: Wednesday, July 18, 2018 4:20 PM
To: Heidema, Sarah J; Hart, Robert L
Subject: RE: Defense Distributed Case



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From: Heidema, Sarah J
Sent: Wednesday, July 18, 2018 4:17 PM
To: Hart, Robert L <HartRL@state.gov>
Cc: Monjay, Robert <MonjayR@state.gov>
Subject: RE: Defense Distributed Case



Official - SBU
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From: Hart, Robert L
Sent: Wednesday, July 18, 2018 3:54 PM
To: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Monjay, Robert <MonjayR@state.gov<mailto:MonjayR@state.gov>>
Subject: RE: Defense Distributed Case

+Rob

Rob Hart
202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official - SBU
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From: Hart, Robert L
Sent: Wednesday, July 18, 2018 3:53 PM
To: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Subject: FW: Defense Distributed Case

As discussed

Rob Hart
202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official - SBU
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From: Paul, Joshua M
Sent: Wednesday, July 18, 2018 3:30 PM
To: PM-DTCP-RMA <PM-DTCP-RMA@state.gov<<mailto:PM-DTCP-RMA@state.gov>>>; Heidema, Sarah J <HeidemaSJ@state.gov<<mailto:HeidemaSJ@state.gov>>>
Cc: PM-CPA <PM-CPA@state.gov<<mailto:PM-CPA@state.gov>>>
Subject: FW: Defense Distributed Case

Dear all,



Josh

Official - SBU
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From: Kerr, Paul <PKERR@crs.loc.gov<<mailto:PKERR@crs.loc.gov>>>
Sent: Wednesday, July 18, 2018 3:22 PM
To: Paul, Joshua M <PaulJM@state.gov<<mailto:PaulJM@state.gov>>>
Subject: RE: Defense Distributed Case

As far as I can tell, DDTC essentially exempted the information in these particular files from the USML. The settlement says that DDTC approved the technical data in question for public release, but I don't think it gives a reason for this determination.

Please note as a threshold matter that we assume the below questions pertain to settlement item 1(c).

1. Is that characterization correct? The Published Files, Ghost Gunner Files, and CAD files (as defined in the Settlement Agreement), by virtue of having been approved for public release pursuant to ITAR §125.4(b)(13), are to be exempt from ITAR licensing requirements.
2. Are the data in question applicable to Category I(a) items? The data in question is defined within the Settlement Agreement, and constitutes a range of computer-aided design files that pertain to Category I(a), I(g), or I(h) articles.
3. Why were the data approved for public release? The Department, in coordination with interagency partners, has recently conducted a national security analysis of USML Category I in the context of drafting and publishing a proposed rule that would move certain defense articles (including technical data) to Department of Commerce jurisdiction. Since the data in question was determined in the context of that effort not to provide a critical military or intelligence advantage (see ITAR §120.3(b)), the Department - in coordination with the Department of Defense - further determined that it was appropriate to approve the data for public release.

Thanks,
Paul

From: Paul, Joshua M [<mailto:PaulJM@state.gov>]
Sent: Wednesday, July 18, 2018 8:08 AM
To: Kerr, Paul <PKERR@crs.loc.gov<<mailto:PKERR@crs.loc.gov>>>

Subject: RE: Defense Distributed Case

Yes, please do; not sure what we will be able to answer, but by all means ask.

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From: Kerr, Paul <PKERR@crs.loc.gov<<mailto:PKERR@crs.loc.gov>>>
Sent: Wednesday, July 18, 2018 7:56 AM
To: Paul, Joshua M <PaulJM@state.gov<<mailto:PaulJM@state.gov>>>
Subject: Defense Distributed Case

Josh,

Could I send a question or two about it? It's gotten some attention up here.

Thanks,
Paul

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Tuesday, June 12, 2018 12:26 PM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: Guns.com: Proposed export reform will boost international gun sales, industry expects

[cid:image001.png@01D29279.128F6050]

Proposed export reform will boost international gun sales, industry expects By Christen Smith
12 June 2018

Firearm industry experts believe the proposed export reform will boost international gun sales.

Orchid Advisors works with gun retailers, manufacturers and wholesalers to ensure legal compliance. The group said this week the suggested amendments to the International Traffic in Arms Regulations (ITAR) will allow small business owners to compete overseas.

"If the dream of retail exporters of firearms, components or accessories is for international transactions to be no more complicated than domestic sales, ECR will put that dream almost within reach for sellers who implement the right systems," said Jon Rydberg, founder and CEO of Orchid Advisors, in a blog post on Monday.

The Directorate of Defense Trade Controls unveiled the long-awaited ITAR changes last month, shifting oversight of commercial arms sales to the Commerce Department and its Export Administration Regulations (EAR).

The rule change would give American manufacturers more leeway to sell guns internationally. Lawrence Keane, senior vice president for the National Shooting Sports Foundation, said in September relaxed restrictions would boost annual gun sales by as much as 20 percent.

"One of the guideposts we used in writing the proposed policy change was to look at what's commercially available in sporting goods stores in the United States - products where the majority of the end users are not military," a senior Commerce Department official told The Washington Times.

The proposal removes non-automatic and semi-automatic firearms from ITAR categories I and II. Corresponding parts and ammunition will no longer remain in category III. Firearms dealers large and small would no longer pay a \$2,250 ITAR registration fee or a \$250 licensing fee.

Instead, the products will transfer to the EAR and undergo far less scrutiny.

"These 'facts of life' for the international retail market in U.S. firearm parts will change under ECR in ways that will open doors for U.S. sellers and their international customers," Rydberg said. "Taken together, these changes will make the international after-market easily accessible for U.S. sellers who want to reach foreign consumers directly."

Regulators published the new rules in the Federal Register last month. The public comment period ends July 9.

Link: <http://www.guns.com/2018/06/12/proposed-export-reform-will-boost-international-gun-sales-industry-expects/>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Thompson, Nicole A. <ThompsonNA2@state.gov>
Sent: Friday, July 20, 2018 4:58 PM
To: McKeeby, David I; PM-CPA
Subject: RE: Media Inquiry from Fox News

Ty!

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From: McKeeby, David I
Sent: Friday, July 20, 2018 4:58 PM
To: Thompson, Nicole A. <ThompsonNA2@state.gov>; PM-CPA <PM-CPA@state.gov>
Subject: RE: Media Inquiry from Fox News

Thx - we got it.

Best,
Dave

David I. McKeeby
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

* Phone: 202.647.8757 | * BlackBerry: 202.550.3482 |
* e-mail: mckeebydi@state.gov<<mailto:mckeebydi@state.gov>> | * Web: www.state.gov/t/pm
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From: Thompson, Nicole A.
Sent: Friday, July 20, 2018 4:52 PM
To: PM-CPA <PM-CPA@state.gov<<mailto:PM-CPA@state.gov>>>
Subject: FW: Media Inquiry from Fox News

Hey PM,

Thanks,
Nicole

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From: Rogers, James <James.Rogers@FOXNEWS.COM<mailto:James.Rogers@FOXNEWS.COM>>
Sent: Friday, July 20, 2018 4:09 PM
To: PA Press Duty <PAPressDuty@state.gov<mailto:PAPressDuty@state.gov>>
Subject: Media Inquiry from Fox News

Good afternoon,

Does the State Dept. have any statement on its recent settlement with Defense Distributed and the Second Amendment Foundation about downloadable blueprints for 3D-printed guns?

https://www.saf.org/doj-saf-reach-settlement-in-defense-distributed-lawsuit/<https://urldefense.proofpoint.com/v2/url?u=https-3A_www.saf.org_doj-2Dsaf-2Dreach-2Dsettlement-2Din-2Ddefense-2Ddistributed-2Dlawsuit_&d=DwMGaQ&c=cnx1hdOQtepEQkpermZGwQ&r=bGJCQMIXzr6Qu0fWFCFrXFhg3lg45xgmhILuvuWmb7w&m=bBcyCduzEf1kj1cKRkN6wnU66JPxIRXEpQTczaHv4AI&s=GEbWKjD6NvBjd-Qx20jFZTjtJv30GwoiAkKhf4R3DY&e=>

Also, does the State Dept. have any comment on this statement from Avery Gardiner, co-president of the Brady Center to Prevent Gun Violence, on the settlement:

"The government won three times in this case, but then suddenly decided to cave. During the Obama years, the government thought that 3D printed guns posed a serious threat to national security. I'm not aware of anything that has changed except who sits in the White House. Untraceable and undetectable guns that bypass our bipartisan background check system put us all at risk. The country deserves answers from the Trump Administration about why it thinks this is a good idea. Making it easier for dangerous people to get guns is reckless and stupid, and this is going to make Americans less safe."

Please feel free to give me a call if you want to discuss.

Best wishes,

James

James Rogers
SciTech Editor
Fox News
New York
Tel: 212 901 4506
@jamesjrogers

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attachments that does not relate to the official business of Fox News or Fox Business must not be taken to have been sent or endorsed by either of them. No representation is made that this email or its attachments are without defect.

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 20, 2018 1:38 PM
To: 'Paul, Joshua M'; Rice, Edmund; Miller, Michael F; Darrach, Tamara A
Cc: McCormick, Jamie; Oliver, Stacie (Foreign Relations)
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Also, what are the law enforcement and counter-terrorism implications of this change? Enabling the widespread acquisition of undetectable or largely-undetectable firearms would seem to be a bad idea, especially in protection of domestic and international airline flights from terrorist hijacking/attacks. What changes will be required by TSA here and abroad to deal with this?

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Friday, July 20, 2018 11:42 AM
To: Rice, Edmund <Edmund.Rice@mail.house.gov>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; Miller, Michael F <MillerMF@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Understood, and that's helpful information. We'll round back and be in touch.

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From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:32 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

A phone call would be only a first step for we four. I expect that as news of this settlement spreads, there will be a requirement to brief a number of Congressional staff and then Members.

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:21 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hello,

We've actually been in the process of putting together a briefing for you on this - with the intent being to provide a phone call early next week. Would that work?

Josh

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua <pauljm@state.gov<mailto:pauljm@state.gov>>; Darrach, Tamara <darrachta@state.gov<mailto:darrachta@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Importance: High

Mike, et.al<https://urldefense.proofpoint.com/v2/url?u=http-3A__et.al&d=DwQFag&c=L93KkjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7_ZRFYXD_2-oNGpZDaSv48lvvk3sok_Kc-8uCoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E_XypzmUYkPwY&s=WDbfGOTuqtodfudKGj_R9heOE3es9SbkzJomT50T-7pA&e=>:.:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff

House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Thursday, July 26, 2018 11:21 AM
To: PM-DTCP-RMA; Legal-PM-DL
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: Snopes: Did the U.S. State Department Legalize the Publication of Instructions for 3D-Printed Guns?

[cid:image001.png@01D29279.128F6050]

Did the U.S. State Department Legalize the Publication of Instructions for 3D-Printed Guns?

By Alex Kasprak

26 July 2018

On 5 May 2013, an Austin-based non-profit named Defense Distributed uploaded software and schematic files that allowed for the creation of a fully functional, 3D-printed plastic gun they dubbed "The Liberator," as Forbes magazine reported at the time:

All sixteen pieces of the Liberator prototype were printed in ABS plastic with a Dimension SST printer from 3D printing company Stratasys, with the exception of a single nail that's used as a firing pin. The gun is designed to fire standard handgun rounds, using interchangeable barrels for different calibers of ammunition.

Just days later the State Department's Office of Defense Trade Controls Compliance wrote to Defense Distributed founder Cody Wilson demanding the removal of those files from the internet. The State Department's argument was that the information presented on Defense Distributed's website constituted an "export" of weapons in violation of the Arms Export Control Act and International Traffic in Arms Regulations (ITAR):

Technical data regulated under the ITAR refers to information required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles, including information in the form of blueprints, drawings, photographs, plans, instructions or documentation.

The State Department required that Wilson remove the files from the internet until he had applied for specific approval for various elements of the gun. Wilson took down the files, but, along with the guns-rights organization Second Amendment Foundation, he filed a lawsuit in the Western District of Texas against the State Department seeking a preliminary injunction that would allow Defense Distributed to continue to publishing the Liberator schematics online.

The Western District of Texas court denied the request, and Defense Distributed appealed that ruling to the 5th Circuit Federal Court, which also denied the request. Defense Distributed then appealed that decision to the U.S. Supreme Court. The Supreme Court declined to hear arguments on the case on 8 January 2018, essentially upholding the 5th Circuit Court's decision.

The State Department Settles with Defense Distributed

On 10 July 2018, however, Defense Distributed and the Second Amendment Foundation announced that they had accepted a settlement agreement with the State Department. That agreement, in effect, will allow Defense Distributed to post designs for 3D printed guns online, and as part of the agreement the State Department will be required to issue a letter specifically stating that 3D printed designs do not fall under ITAR rules:

The State Department shall produce] a letter to Plaintiffs on or before July 27, 2018, signed by the Deputy Assistant Secretary for Defense Trade Controls, advising that the Published Files, Ghost Gunner Files, and CAD Files are approved

for public release (i.e., unlimited distribution) in any form and are exempt from the export licensing requirements of the ITAR ...

In a related press release, the Second Amendment Foundation described the ruling as a "victory for free speech" and a "devastating blow to the gun prohibition lobby." The settlement agreement stated that designs for any non-automatic firearms up to .50-caliber, including the AR-15 semi-automatic rifle, could be distributed online:

Under terms of the settlement, the government has agreed to waive its prior restraint against the plaintiffs, allowing them to freely publish the 3-D files and other information at issue. The government has also agreed to pay a significant portion of the plaintiffs' attorney's fees ... Significantly, the government expressly acknowledges that non-automatic firearms up to .50-caliber - including modern semi-auto sporting rifles such as the popular AR-15 and similar firearms - are not inherently military.

On their website, Defense Distributed declared that "the age of the downloadable gun begins" 1 August 2018, the date on which Wilson plans to upload various gun designs. Wilson's plans have raised alarm among gun control advocates, with critics of the government's agreement saying that it represents a changing political climate at the U.S. State Department and not an actual reinterpretation of the law, as reported by the New York Times:

The willingness to resolve the case - after the government had won some lower court judgments - has raised alarms among gun-control advocates, who said it would make it easier for felons and others to get firearms. Some critics said it suggested close ties between the Trump administration and gun-ownership advocates, filing requests for documents that might explain why the government agreed to settle.

The administration "capitulated in a case it had won at every step of the way," said J. Adam Skaggs, the chief counsel for the Giffords Law Center to Prevent Gun Violence. "This isn't a case where the underlying facts of the law changed. The only thing that changed was the administration."

The Broader Legal Ramifications

Speaking to us by phone, Eugene Volokh, a professor at UCLA's School of Law and an expert on First and Second Amendment issues, explained to us that in a strictly legal sense, a settlement agreement does not constitute an official court-mandated precedent. In a practical sense, however, the ruling will likely embolden other similar groups to design and publish similar schematics, he noted:

What sets a precedent? A published opinion from a court, preferably an appellate court. But that's in the narrow sense, the way lawyers would talk about this precedent. If you're asking whether this settlement will have broader effect on other companies, the answer is absolutely.

This is the federal government, and the federal government usually tries to be fairly consistent in its actions, and it can be easily called on by people if it's being inconsistent. So the settlement, I think, will have substantial practical effect. Not just in Defense Distributed, but on other companies that are doing similar enough things.

Though this case was brought to the courts with the help of a Second Amendment advocacy group, Volokh said he feels Defense Distributed's case is primarily a First Amendment issue:

[Cody Wilson] is helping promote Second Amendment rights of others, but it's not clear he would have strong enough interest in their rights. And it's also not clear that the restriction would burden their rights that much under existing Second Amendment case law. So my suspicion is that the Second Amendment argument wasn't something that the federal government viewed as particularly impressive.

On the other hand, the First Amendment argument, that's the one that the four judges on the Fifth Circuit were particularly moved by. And I think it's quite a plausible argument about Defense Distributed's own rights. It says we want

to put up information ... and you are stopping us from doing that and stopping us from communicating to other Americans about this sort of thing. So that's a pretty serious argument.

Where Does the Government Draw the Line on Dangerous Information?

An obvious hypothetical scenario to test the limits of free speech might be whether someone could publicly post detailed instructions on how to make a hydrogen bomb online. As it turns out, this exact question was briefly handled by the courts in the late 1970s when the liberal magazine The Progressive sought to publish a meticulously researched article titled "The H-Bomb Secret: How We Got It, Why We're Telling It." That article purported to reveal how the U.S. Government built the powerful hydrogen bomb.

The article did not reveal classified information, relying only on publicly available information, but the U.S. Department of Energy sought to block the article's publication by asserting it was a violation of the Atomic Energy Act. That act, in part, "prohibits anyone from communicating, transmitting or disclosing any restricted data to any person with reason to believe such data will be utilized to injure the United States or to secure an advantage to any foreign nation."

The US District Court for the Western District of Wisconsin laid bare the central problem the Progressive's case posed to the court and the country:

A mistake in ruling against The Progressive will seriously infringe cherished First Amendment rights. If a preliminary injunction is issued, it will constitute the first instance of prior restraint against a publication in this fashion in the history of this country, to this Court's knowledge.

A mistake in ruling against the United States could pave the way for thermonuclear annihilation for us all. In that event, our right to life is extinguished and the right to publish becomes moot.

In this instance, the Court did issue a preliminary injunction on 28 March 1979 blocking the publication of the article, but the case was never decided on its merits - it was dismissed when another publication beat the Progressive to the punch with a similar story that included details on how to build a bomb.

As of 1 August 2018, Defense Distributed will start publishing detailed steps on how to create a variety of guns that require no registration or background check to manufacture. While the broader issue may well be litigated further, the current stance of the U.S. State Department is that Defense Distributed will not be violating any export control laws when they do so.

Link: <https://www.snopes.com/news/2018/07/26/3d-printed-guns-legal/>

Matthew Marquis

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user/statevideo>[cid:image007.png@01CF5314.69A33A30]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>
Sent: Friday, July 27, 2018 10:09 AM
To: 'Paul, Joshua M'; Darrach, Tamara A; Faulkner, Charles S
Cc: Oliver, Stacie (Foreign Relations); Edmund.Rice@mail.house.gov
(edmund.rice@mail.house.gov); Jamie.mccormick@mail.house.gov
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns

Can I get a copy of the statement?

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Friday, July 27, 2018 10:08 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov>; Darrach, Tamara A <DarrachTA@state.gov>;
Faulkner, Charles S <FaulknerCS@state.gov>
Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>; Edmund.Rice@mail.house.gov
(edmund.rice@mail.house.gov) <edmund.rice@mail.house.gov>; Jamie.mccormick@mail.house.gov
Subject: RE: Reported State Department Spokesperson Statement on 3D Guns

This is a mischaracterization - and a misquoting - of our statements to the press on this matter. What we have told media is that "the settlement in this case comes as the U.S. Government is reviewing comments on new proposed regulations" (emphasis mine), not because of the regulations - this line is intended to provide context, not cause.

Official - SBU
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 27, 2018 9:57 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A
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Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>;
Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>
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Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>
Subject: Reported State Department Spokesperson Statement on 3D Guns

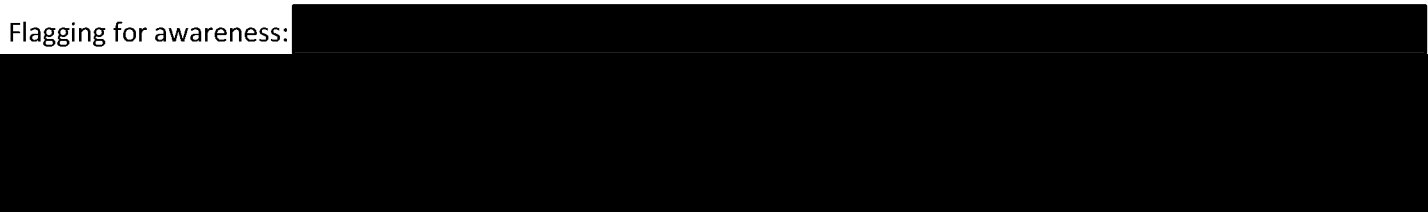
So there was this ABC news story that said this:

In a lengthy statement, the State Department spokesperson said that the Trump administration settled because new government regulations make the case moot. The Commerce Department is taking over the regulation of certain firearms -- a change that was implemented under the Obama administration, but accelerated under the Trump administration as it seeks "to create a simpler, more robust export control system that eases industry compliance, enhances enforceability, and better protects truly sensitive technologies." <https://abcnews.go.com/Politics/state-department-defends-allowing-publication-blueprints-3d-print/story?id=56817152>

Is this accurate, it would seem to be an admission of an intent to circumvent the CATs I-III regulatory legal process. What exactly did the State Dept person say?

From: McKeeby, David I <McKeebyDI@state.gov>
Sent: Tuesday, April 17, 2018 2:49 PM
To: Crosson, Thomas C CIV OSD PA (US); Paul, Joshua M; White, Juanita B CIV DSCA STR (US); Rigler, Tara M; PM-CPA; Cooper, John M; Sciandra, Salvatore; Ward, James F (Jim) CIV DSCA STR (US); Danielewski, Christopher A CIV DSCA STR (US); Jost, Aaron W; Kimberly Ekmark; Eugene Cottilli; Kaplan, James L. EOP/NSC; Cressey, Laura E; Taggart, Ross G; Miller, Michael F; Alami, Laura T CIV DSCA STR (US); Kouts, Jodi L. EOP/NSC; Gray, Alexander B. EOP/WHO; Lee, Renee H; Steffens, Jessica L; Shin, Jae E; Heidema, Sarah J
Cc: Strike, Andrew P; Chen, Rachael J; Shepherd, Pamela C CIV DSCA STR (US); Hizon, Michele H SES DSCA SA-E (US); Beall, Jessica D (Duke) CIV OSD OUSD POLICY (US); Michael, Johnny I Jr CIV OSD PA (US)
Subject: RE: CAT Policy & UAS Export Policy--Releases and Press Guidance
Importance: High

Flagging for awareness:



Best,
Dave

#

Arming the world: Inside Trump's 'Buy American' drive to expand weapons exports Matt Spetalnick, Mike Stone APRIL 17, 2018

WASHINGTON (Reuters) - In a telephone call with the emir of Kuwait in January, U.S. President Donald Trump pressed the Gulf monarch to move forward on a \$10 billion fighter jet deal that had been stalled for more than a year.

Trump was acting on behalf of Boeing Co, America's second-largest defense contractor, which had become frustrated that a long-delayed sale critical to its military aircraft division was going nowhere, several people familiar with the matter said.

With this Oval Office intervention, the details of which have not been previously reported, Trump did something unusual for a U.S. president - he personally helped to close a major arms deal. In private phone calls and public appearances with world leaders, Trump has gone further than any of his predecessors to act as a salesman for the U.S. defense industry, analysts said.

Trump's personal role underscores his determination to make the United States, already dominant in the global weapons trade, an even bigger arms merchant to the world, U.S. officials say, despite concerns from human rights and arms control advocates.

Those efforts will be bolstered by the full weight of the U.S. government when Trump's administration rolls out a new "Buy American" initiative as soon as this week aimed at allowing more countries to buy more and even bigger weapons.

It will loosen U.S. export rules on equipment ranging from fighter jets and drones to warships and artillery, the officials said.

Reuters has learned that the initiative will provide guidelines that could allow more countries to be granted faster deal approvals, possibly trimming back to months what has often taken years to finalize. The strategy will call for members of Trump's cabinet to sometimes act as "closers" to help seal major arms deals, according to people familiar with the matter. More top government officials will also be sent to promote U.S. weapons at international air shows and arms bazaars.

Human rights and arms control advocates warn that the proliferation of a broader range of advanced weaponry to more foreign governments could increase the risk of arms being diverted into the wrong hands and fueling violence in regions such as the Middle East and South Asia.

The Trump administration stresses that the main aims are to help American defense firms compete better against increasingly aggressive Russian and Chinese manufacturers and give greater weight than before to economic benefits of arms sales to create more jobs at home.

One Trump aide, speaking on condition of anonymity, said the new initiative is also intended to ease human rights restrictions that have sometimes led to an effective "veto" over certain arms deals.

"This policy seeks to mobilize the full resources of the United States government behind arms transfers that are in the U.S. national and economic security interest," a White House official said, responding to a request for comment on the story.

"We recognize that arms transfers may have important human rights consequences," the official said. "Nothing in this policy changes existing legal or regulatory requirements in this regard."

One of the main architects of the new policy has been economist Peter Navarro, a China trade skeptic ascendant in Trump's inner circle. His effort to boost arms exports has drawn little resistance within the White House, officials said.

'WHOLE OF GOVERNMENT'

The initiative has been in the works for months and some of its expected components have already been reported. But with the rollout nearing, more than a dozen industry sources and current and former U.S. officials have provided Reuters with the most complete picture yet of Trump's policy, though they caution that last-minute changes are still possible.

The policy will call for a "whole of government" approach - from the president and his cabinet on down to military attaches and diplomats - to help drum up billions of dollars more in arms business overseas, U.S. officials said.

It will also call for cutting red tape to secure faster deal approval on a broader range of weaponry for NATO members, Saudi Arabia and other Gulf partners as well as treaty allies such as Japan and South Korea, among others, they said. Many details will remain classified.

Companies that stand to benefit most include Boeing and the other top U.S. defense contractors, Lockheed Martin Corp, Raytheon Co, General Dynamics Corp and Northrop Grumman Corp. All of their shares have surged by double-digit percentages, led by the doubling of Boeing's stock price, since Trump took office in January 2017.

Trump's aides also want more senior officials to attend major international arms shows, including cabinet members such as Defense Secretary Jim Mattis and Commerce Secretary Wilbur Ross, to promote U.S.-made weapons the way countries such as France and Israel pitch their companies' wares.

"If you go to the Paris air show, you see the French foreign minister standing in front of the Airbus pavilion," one U.S. official said. "We're getting outplayed so we have to change our culture."

In addition to the broad arms export initiative, Trump is expected to sign a separate document easing exports of military drones, an item high on foreign governments' shopping lists, officials said.

U.S. foreign military sales totaled \$42 billion last year, according to the U.S. Defense Security Cooperation Agency. Experts say exports from Russia, the largest U.S. competitor, are typically half those of the United States.

The Aerospace Industries Association trade group said it had first lobbied Trump during the 2016 presidential campaign on the need for "bolstering U.S. manufacturing" and encouraging allies to take more responsibility for their own security.

SALESMAN-IN-CHIEF

While many presidents have helped promote the U.S. defense industry, none is known to have done so as unabashedly as Trump, a former real estate developer who seems sometimes at his most comfortable when he is promoting U.S. goods.

Trump regularly discusses specific arms sales with foreign leaders in meetings and on the phone, according to White House statements. And on a trip to Japan last November, he publicly urged Prime Minister Shinzo Abe to buy more American weapons.

More recently, at an Oval Office meeting with Saudi Crown Prince Mohammed bin Salman last month, Trump held up posters with pictures of U.S. jets, ships and helicopters and other armaments sold to Saudi Arabia. "We make the best military product in the world," he boasted to reporters as the prince sat smiling beside him.

Other presidents, including Richard Nixon, Bill Clinton and George W. Bush stressed the need to strengthen the defense industrial base, but they did it more subtly, said William Hartung, director of the arms and security project at the Center for International Policy, a non-partisan think tank.

"Nobody's been as blatant about it as Trump," he added. "Nobody has yelled it from the rooftops."

Former President Barack Obama would sometimes talk to allied leaders about weapons systems that he felt suited their security needs, but aides said he preferred to keep weapons salesmanship at arm's length.

The Trump administration's plan to overhaul the Conventional Arms Transfer policy, the framework for evaluating foreign sales, goes well beyond Obama's relaxation of rules in 2014 that enabled U.S. arms contractors to sell more overseas than ever before. Obama drew a clear line, however, requiring each sale to meet strict human rights standards - though he was criticized at times for allowing some controversial sales.

Trump has already gone ahead with several deals that Obama blocked, including the sale of \$7 billion in precision-guided munitions to Saudi Arabia despite human rights groups' concerns they have contributed to civilian deaths in the Saudi-led campaign in Yemen's civil war.

ANATOMY OF A TRUMP-ERA DEAL

How Boeing's Kuwait deal got on Trump's agenda for the Jan. 17 call with Kuwait's Emir Sheikh Sabah Al-Ahmad Al-Jaber al-Sabah illustrates how seriously the administration is taking the arms export push.

The State Department granted approval in November 2016, in the final months of the Obama administration, for Kuwait to buy 40 F/A-18 Super Hornet strike fighters.

But Kuwait, a U.S. Gulf ally, appeared to drag out negotiations, U.S. officials and industry sources said, and the purchase was still not finalized by the time the emir visited Trump at the White House last September.

Trump told reporters at the time that, at the Kuwaiti leader's request, he had intervened and won State Department authorization for the deal - a false claim since that approval had already been granted nearly a year earlier.

Months later, Boeing's request for a presidential nudge to Kuwait was channeled to National Security Council aides, who included it among Trump's "talking points" for the January phone call, two people close to the matter said.

This time, Trump did make a difference. Just days later, Kuwaiti state media reported the deal was done.

The Kuwaiti government did not respond to requests for comment. A Boeing spokesman declined comment.

Reporting By Mike Stone and Matt Spetalnick; Editing by Chris Sanders and Ross Colvin

David I. McKeeby

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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From: McKeeby, David I

Sent: Tuesday, April 17, 2018 11:25 AM

To: 'Crosson, Thomas C CIV OSD PA (US)' <thomas.c.crosson.civ@mail.mil>; Paul, Joshua M <PaulJM@state.gov>; White, Juanita B CIV DSCA STR (US) <juanita.b.white8.civ@mail.mil>; Rigler, Tara M <tara.m.rigler@nsc.eop.gov>; PM-CPA <PM-CPA@state.gov>; Cooper, John M <CooperJM3@state.gov>; Sciandra, Salvatore <SciandraS@state.gov>; Ward, James F (Jim) CIV DSCA STR (US) <james.f.ward3.civ@mail.mil>; Danielewski, Christopher A CIV DSCA STR (US) <christopher.a.danielewski.civ@mail.mil>; Jost, Aaron W <JostAW@state.gov>; Kimberly Ekmark <Kimberly.Ekmark@bis.doc.gov>; Eugene Cottilli <Eugene.Cottilli@bis.doc.gov>; Kaplan, James L. EOP/NSC <James.L.Kaplan@nsc.eop.gov>; Cressey, Laura E <CresseyLE@state.gov>; Taggart, Ross G <TaggartRG@state.gov>; Miller, Michael F <MillerMF@state.gov>; Alami, Laura T CIV DSCA STR (US) <laura.t.alami.civ@mail.mil>; Kouts, Jodi L. EOP/NSC <Jodi.L.Kouts@nsc.eop.gov>; Gray, Alexander B. EOP/WHO <Alexander.B.Gray@who.eop.gov>; Lee, Renee H <LeeRH2@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Lyons, Hannah J <LyonsHJ2@state.gov>; Shin, Jae E <ShinJE@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>

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Subject: RE: [Non-DoD Source] RE: CAT Policy & UAS Export Policy--Releases and Press Guidance

Tom:

Thanks-Tony Cappaccio came to us on this as well - he and several other of the usual suspects among the defense reporters (Defense News, Reuters, Politico) have been spun up by a blast mailing from CIP's Bill Hartung early this am who is reiterating his longstanding points about ATI and UAS policy (attached). We're holding the line and letting folks know off-record we've got nothing to announce...yet.

Best,
Dave

David I. McKeeby

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 <johnny.i.michael2.civ@mail.mil<mailto:johnny.i.michael2.civ@mail.mil>>
 Subject: RE: [Non-DoD Source] RE: CAT Policy & UAS Export Policy--Releases and Press Guidance

Team...two things...

I'm adding Mr. Johnny Michael from my office on this thread

Tony Capaccio from Bloomberg just swung by my desk and ask for confirmation that this policy is being rolled out this week. He said that he is hearing "heavy rumors." I didn't confirm the timeline.....

Tom Crosson

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
 Sent: Monday, April 16, 2018 2:48 PM
 To: McKeeby, David I <McKeebyDI@state.gov<mailto:McKeebyDI@state.gov>>; White, Juanita B CIV DSCA STR (US)
 <juanita.b.white8.civ@mail.mil<mailto:juanita.b.white8.civ@mail.mil>>; Rigler, Tara M
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 <thomas.c.crosson.civ@mail.mil<mailto:thomas.c.crosson.civ@mail.mil>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Cooper, John M <CooperJM3@state.gov<mailto:CooperJM3@state.gov>>; Sciandra, Salvatore
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 <james.f.ward3.civ@mail.mil<mailto:james.f.ward3.civ@mail.mil>>; Danielewski, Christopher A CIV DSCA STR (US)
 <christopher.a.danielewski.civ@mail.mil<mailto:christopher.a.danielewski.civ@mail.mil>>; Jost, Aaron W
 <JostAW@state.gov<mailto:JostAW@state.gov>>; Kimberly Ekmark
 <Kimberly.Ekmark@bis.doc.gov<mailto:Kimberly.Ekmark@bis.doc.gov>>; Eugene Cottilli
 <Eugene.Cottilli@bis.doc.gov<mailto:Eugene.Cottilli@bis.doc.gov>>; Kaplan, James L. EOP/NSC
 <James.L.Kaplan@nsc.eop.gov<mailto:James.L.Kaplan@nsc.eop.gov>>; Cressey, Laura E
 <CresseyLE@state.gov<mailto:CresseyLE@state.gov>>; Taggart, Ross G
 <TaggartRG@state.gov<mailto:TaggartRG@state.gov>>; Miller, Michael F
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 <Alexander.B.Gray@who.eop.gov<mailto:Alexander.B.Gray@who.eop.gov>>; Lee, Renee H
 <LeeRH2@state.gov<mailto:LeeRH2@state.gov>>; Steffens, Jessica L
 <SteffensJL@state.gov<mailto:SteffensJL@state.gov>>; Lyons, Hannah J
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 Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
 Cc: Strike, Andrew P <StrikeAP@state.gov<mailto:StrikeAP@state.gov>>; Chen, Rachael J
 <ChenRJ@state.gov<mailto:ChenRJ@state.gov>>; Shepherd, Pamela C CIV DSCA STR (US)
 <pamela.c.shepherd.civ@mail.mil<mailto:pamela.c.shepherd.civ@mail.mil>>; Hizon, Michele H SES DSCA SA-E (US)
 <michele.h.hizon.civ@mail.mil<mailto:michele.h.hizon.civ@mail.mil>>; Beall, Jessica D (Duke) CIV OSD OUSD POLICY
 (US) <jessica.d.beall2.civ@mail.mil<mailto:jessica.d.beall2.civ@mail.mil>>
 Subject: [Non-DoD Source] RE: CAT Policy & UAS Export Policy--Releases and Press Guidance

All active links contained in this email were disabled. Please verify the identity of the sender, and confirm the authenticity of all links contained within the message prior to copying and pasting the address to a Web browser.

Dear all,

WH StaffSec advises as follows:

"While we are confident they will be signed by Wednesday, they may not be signed until tomorrow. We're fine if you want to build in one more day to be safe."

As such, in the absence of any strong objections from others in this email chain, I recommend that we shift one day to the right, aiming for a roll out on Thursday, April 19th.

Josh

Official
UNCLASSIFIED

From: Paul, Joshua M

Sent: Monday, April 16, 2018 9:33 AM

To: McKeeby, David I <McKeebyDI@state.gov<mailto:McKeebyDI@state.gov>>; White, Juanita B CIV DSCA STR (US) <juanita.b.white8.civ@mail.mil<mailto:juanita.b.white8.civ@mail.mil>>; Rigler, Tara M <tara.m.rigler@nsc.eop.gov<mailto:tara.m.rigler@nsc.eop.gov>>; Crosson, Thomas C CIV OSD PA (US) <thomas.c.crosson.civ@mail.mil<mailto:thomas.c.crosson.civ@mail.mil>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Cooper, John M <CooperJM3@state.gov<mailto:CooperJM3@state.gov>>; Sciandra, Salvatore <SciandraS@state.gov<mailto:SciandraS@state.gov>>; Ward, James F (Jim) CIV DSCA STR (US) <james.f.ward3.civ@mail.mil<mailto:james.f.ward3.civ@mail.mil>>; Danielewski, Christopher A CIV DSCA STR (US) <christopher.a.danielewski.civ@mail.mil<mailto:christopher.a.danielewski.civ@mail.mil>>; Jost, Aaron W <JostAW@state.gov<mailto:JostAW@state.gov>>; Kimberly Ekmark <Kimberly.Ekmark@bis.doc.gov<mailto:Kimberly.Ekmark@bis.doc.gov>>; Eugene Cottilli <Eugene.Cottilli@bis.doc.gov<mailto:Eugene.Cottilli@bis.doc.gov>>; Kaplan, James L. EOP/NSC <James.L.Kaplan@nsc.eop.gov<mailto:James.L.Kaplan@nsc.eop.gov>>; Cressey, Laura E <CresseyLE@state.gov<mailto:CresseyLE@state.gov>>; Taggart, Ross G <TaggartRG@state.gov<mailto:TaggartRG@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Alami, Laura T CIV DSCA STR (US) <laura.t.alami.civ@mail.mil<mailto:laura.t.alami.civ@mail.mil>>; Kouts, Jodi L. EOP/NSC <Jodi.L.Kouts@nsc.eop.gov<mailto:Jodi.L.Kouts@nsc.eop.gov>>; Gray, Alexander B. EOP/WHO <Alexander.B.Gray@who.eop.gov<mailto:Alexander.B.Gray@who.eop.gov>>; Lee, Renee H <LeeRH2@state.gov<mailto:LeeRH2@state.gov>>; Steffens, Jessica L <SteffensJL@state.gov<mailto:SteffensJL@state.gov>>; Lyons, Hannah J <LyonsHJ2@state.gov<mailto:LyonsHJ2@state.gov>>; Shin, Jae E <ShinJE@state.gov<mailto:ShinJE@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Strike, Andrew P <StrikeAP@state.gov<mailto:StrikeAP@state.gov>>; Chen, Rachael J <ChenRJ@state.gov<mailto:ChenRJ@state.gov>>; Shepherd, Pamela C CIV DSCA STR (US) <pamela.c.shepherd.civ@mail.mil<mailto:pamela.c.shepherd.civ@mail.mil>>; Hizon, Michele H SES DSCA SA-E (US) <michele.h.hizon.civ@mail.mil<mailto:michele.h.hizon.civ@mail.mil>>; Beall, Jessica D (Duke) CIV OSD OUSD POLICY (US) <jessica.d.beall2.civ@mail.mil<mailto:jessica.d.beall2.civ@mail.mil>>
Subject: RE: CAT Policy & UAS Export Policy--Releases and Press Guidance

Dear all,

By way of an update, we are waiting on signature for the two policies. We anticipate they will be approved today; that said, if there's no word by about 2pm this afternoon, I would suggest we shift everything a day to the right, with the roll out on Thursday, as I'm not keen to start scheduling reporters and industry surrogates without signed policies in hand. Please let me know if there are any objections to this proposal.

Josh

Official
UNCLASSIFIED

From: McKeeby, David I

Sent: Friday, April 13, 2018 1:30 PM

To: Paul, Joshua M <PaulJM@state.gov < Caution-mailto:PaulJM@state.gov <mailto:PaulJM@state.gov %3c Caution-mailto:PaulJM@state.gov > > >; White, Juanita B CIV DSCA STR (US) <juanita.b.white8.civ@mail.mil < Caution-mailto:juanita.b.white8.civ@mail.mil <mailto:juanita.b.white8.civ@mail.mil %3c Caution-mailto:juanita.b.white8.civ@mail.mil > > >; Rigler, Tara M <tara.m.rigler@nsc.eop.gov < Caution-mailto:tara.m.rigler@nsc.eop.gov <mailto:tara.m.rigler@nsc.eop.gov %3c Caution-mailto:tara.m.rigler@nsc.eop.gov > > >; Crosson, Thomas C CIV OSD PA (US) <thomas.c.crosson.civ@mail.mil < Caution-mailto:thomas.c.crosson.civ@mail.mil <mailto:thomas.c.crosson.civ@mail.mil %3c Caution-mailto:thomas.c.crosson.civ@mail.mil > > >; PM-CPA <PM-CPA@state.gov < Caution-mailto:PM-CPA@state.gov <mailto:PM-CPA@state.gov %3c Caution-mailto:PM-CPA@state.gov > > >; Cooper, John M <CooperJM3@state.gov < Caution-mailto:CooperJM3@state.gov <mailto:CooperJM3@state.gov %3c Caution-mailto:CooperJM3@state.gov > > >; Sciandra, Salvatore <SciandraS@state.gov < Caution-mailto:SciandraS@state.gov <mailto:SciandraS@state.gov %3c Caution-mailto:SciandraS@state.gov > > >; Ward, James F (Jim) CIV DSCA STR (US) <james.f.ward3.civ@mail.mil < Caution-mailto:james.f.ward3.civ@mail.mil <mailto:james.f.ward3.civ@mail.mil %3c Caution-mailto:james.f.ward3.civ@mail.mil > > >; Danielewski, Christopher A CIV DSCA STR (US) <christopher.a.danielewski.civ@mail.mil < Caution-mailto:christopher.a.danielewski.civ@mail.mil <mailto:christopher.a.danielewski.civ@mail.mil %3c Caution-mailto:christopher.a.danielewski.civ@mail.mil > > >; Jost, Aaron W <JostAW@state.gov < Caution-mailto:JostAW@state.gov <mailto:JostAW@state.gov %3c Caution-mailto:JostAW@state.gov > > >; Kimberly Ekmark <Kimberly.Ekmark@bis.doc.gov < Caution-mailto:Kimberly.Ekmark@bis.doc.gov <mailto:Kimberly.Ekmark@bis.doc.gov %3c Caution-mailto:Kimberly.Ekmark@bis.doc.gov > > >; Eugene Cottilli <Eugene.Cottilli@bis.doc.gov < Caution-mailto:Eugene.Cottilli@bis.doc.gov <mailto:Eugene.Cottilli@bis.doc.gov %3c Caution-mailto:Eugene.Cottilli@bis.doc.gov > > >; Kaplan, James L. EOP/NSC <James.L.Kaplan@nsc.eop.gov < Caution-mailto:James.L.Kaplan@nsc.eop.gov <mailto:James.L.Kaplan@nsc.eop.gov %3c Caution-mailto:James.L.Kaplan@nsc.eop.gov > > >; Cressey, Laura E <CresseyLE@state.gov < Caution-mailto:CresseyLE@state.gov <mailto:CresseyLE@state.gov %3c Caution-mailto:CresseyLE@state.gov > > >; Taggart, Ross G <TaggartRG@state.gov < Caution-mailto:TaggartRG@state.gov <mailto:TaggartRG@state.gov %3c Caution-mailto:TaggartRG@state.gov > > >; Miller, Michael F <MillerMF@state.gov < Caution-mailto:MillerMF@state.gov <mailto:MillerMF@state.gov %3c Caution-mailto:MillerMF@state.gov > > >; Alami, Laura T CIV DSCA STR (US) <laura.t.alami.civ@mail.mil < Caution-mailto:laura.t.alami.civ@mail.mil <mailto:laura.t.alami.civ@mail.mil %3c Caution-mailto:laura.t.alami.civ@mail.mil > > >; Kouts, Jodi L. EOP/NSC <Jodi.L.Kouts@nsc.eop.gov < Caution-mailto:Jodi.L.Kouts@nsc.eop.gov <mailto:Jodi.L.Kouts@nsc.eop.gov %3c Caution-mailto:Jodi.L.Kouts@nsc.eop.gov > > >; Gray, Alexander B. EOP/WHO <Alexander.B.Gray@who.eop.gov < Caution-mailto:Alexander.B.Gray@who.eop.gov <mailto:Alexander.B.Gray@who.eop.gov %3c Caution-mailto:Alexander.B.Gray@who.eop.gov > > >; Lee, Renee H <LeeRH2@state.gov < Caution-mailto:LeeRH2@state.gov <mailto:LeeRH2@state.gov %3c Caution-mailto:LeeRH2@state.gov > > >; Steffens, Jessica L <SteffensJL@state.gov < Caution-mailto:SteffensJL@state.gov <mailto:SteffensJL@state.gov %3c Caution-mailto:SteffensJL@state.gov > > >; Lyons, Hannah J <LyonsHJ2@state.gov < Caution-mailto:LyonsHJ2@state.gov <mailto:LyonsHJ2@state.gov %3c Caution-mailto:LyonsHJ2@state.gov > > >; Shin, Jae E <ShinJE@state.gov < Caution-mailto:ShinJE@state.gov <mailto:ShinJE@state.gov %3c Caution-

mailto:ShinJE@state.gov > > >; Heidema, Sarah J <HeidemaSJ@state.gov < Caution-mailto:HeidemaSJ@state.gov
<mailto:HeidemaSJ@state.gov %3c Caution-mailto:HeidemaSJ@state.gov > > >
Cc: Strike, Andrew P <StrikeAP@state.gov < Caution-mailto:StrikeAP@state.gov
<mailto:StrikeAP@state.gov %3c Caution-mailto:StrikeAP@state.gov > > >; Chen, Rachael J <ChenRJ@state.gov <
Caution-mailto:ChenRJ@state.gov <mailto:ChenRJ@state.gov %3c Caution-mailto:ChenRJ@state.gov > > >; Shepherd,
Pamela C CIV DSCA STR (US) <pamela.c.shepherd.civ@mail.mil < Caution-mailto:pamela.c.shepherd.civ@mail.mil
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SES DSCA SA-E (US) <michele.h.hizon.civ@mail.mil < Caution-mailto:michele.h.hizon.civ@mail.mil
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OSD OUSD POLICY (US) <jessica.d.beall2.civ@mail.mil < Caution-mailto:jessica.d.beall2.civ@mail.mil
<mailto:jessica.d.beall2.civ@mail.mil %3c Caution-mailto:jessica.d.beall2.civ@mail.mil > > >
Subject: CAT Policy & UAS Export Policy--Releases and Press Guidance
Importance: High

Colleagues:

Further to this morning's call, attached are:

- Fact Sheet: UAS Policy
- Press Guidance: UAS Policy
- Press Guidance: NSPM-CAT Policy
- (Note: State will post the NSPM CAT public text taken from the WH release)

These are taken from previously interagency approved text, as well as previously cleared language.

We welcome any additional inputs NLT 1200 NOON Monday.

Thanks,
Dave

David I. McKeeby
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts> >

-----Original Appointment-----

From: Paul, Joshua M

Sent: Thursday, April 12, 2018 2:12 PM

To: Paul, Joshua M; White, Juanita B CIV DSCA STR (US); Rigler, Tara M; Crosson, Thomas C CIV OSD PA (US); PM-CPA; Cooper, John M; Sciandra, Salvatore; Ward, James F (Jim) CIV DSCA STR (US); Danielewski, Christopher A CIV DSCA STR (US); Jost, Aaron W; Kimberly Ekmark; Eugene Cottilli; Kaplan, James L. EOP/NSC; Cressey, Laura E; Taggart, Ross G; Miller, Michael F; Alami, Laura T CIV DSCA STR (US); Kouts, Jodi L. EOP/NSC; Gray, Alexander B. EOP/WHO; Lee, Renee H; Steffens, Jessica L; Lyons, Hannah J; Shin, Jae E; Heidema, Sarah J

Cc: Strike, Andrew P; Chen, Rachael J; McKeeby, David I; Shepherd, Pamela C CIV DSCA STR (US); Hizon, Michele H SES DSCA SA-E (US); Beall, Jessica D (Duke) CIV OSD OUSD POLICY (US)

Subject: Roll Out Planning: CAT Policy & UAS Export Policy

When: Friday, April 13, 2018 11:00 AM-11:30 AM (UTC-05:00) Eastern Time (US & Canada).

Where: PhonCon

Dear all,

We have received confirmation from the Staff Secretary that the President is expected to sign the CAT and UAS Policies tomorrow; per our earlier exchanges, I anticipate a public roll out as soon as next Wednesday. As such, I am reconvening this call to discuss roll-out plans and required actions. Call-in info as follows:

1-877-336-1839

Conf Code: 896 9221#

Proposed agenda:

1. Roll out timing: Proposing next Wednesday; easy to shift to the right as needed.
2. Confirming public releases: Proposing: WH to post CAT Policy in full; State to post UAS Export Policy Fact Sheet. Press guidance on both documents is attached; we need the final CAT Policy on the unclass side. Discussion of additional media products.
3. Related issues: Noting: OMB has approved draft rules on USML Categories 1-3 (firearms), which could be included as part of a broader messaging on defense industrial base support, but will have some timing issues associated (i.e. FRN may not be ready for publication by Wednesday); also, State has a media note ready on pending debarments which may reinforce our point that while doing more for industry we continue to enforce compliance with the laws and regulations - would ask this group to consider the timing of that release in the broader context.
4. Roll out Plan: As previously proposed, for discussion and agreement:
 - D-1 (Tuesday): Background Briefing for Industry on Policies, embargoed.
 - D-1 (Tuesday): Background Briefing for select media on Policies, embargoed.
 - D: Roll out of Policies - posting of CAT Policy and UAS Factsheet
 - D+1 or D+2 (Thurs/Fri): Think Tank and NGO Roundtable hosted by CSIS
 - April 24th: Senior Level Panel on Policies (leveraging the US COC Defense Working Group launch event)

Thank you. I am attaching the previously PC-cleared talking points on the CAT Policy/Arms Transfers Initiative, and the UAS Fact Sheet and Press Guidance, as well as the latest versions of the USML Cats I-III interagency-cleared talking points and myths and facts sheet.

Josh

Josh Paul

Director, Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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www.state.gov/t/pm / < Caution-http://www.state.gov/t/pm%20/ >

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https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts >

This message isUNCLASSIFIED, per E.O. 12958

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Monday, May 21, 2018 4:45 PM
To: Steffens, Jessica L; PM-Strategy
Cc: PM-CPA; Brown, Stanley L; O'Keefe, Kevin P; Miller, Michael F; Mak, Daniella; Martin, Davette T; Dudding, Maria; Litzenberger, Earle D (Lee); (U) Nute, Kathryn M
Subject: CPA Media Monitoring: 21 May 2018

[cid:image001.png@01D29279.128F6050]

Alerts for 21 May 2018

"Korean presidential aide 'very disturbed,' retracts U.S. alliance statement"<<http://gephardtdaily.com/national-international/korean-presidential-aide-very-disturbed-retracts-u-s-alliance-statement/>>, A South Korean foreign ministry official told local newspaper Korea Economic Daily during the meeting held last week the United States reaffirmed its "strong commitment" to security on the Korean Peninsula, and there were no plans to change the size of U.S. forces in Korea.

"Broken fighter jets, grounded helicopters and idled tanks: Germany's military is ailing"<<http://www.latimes.com/world/europe/la-fg-germany-ailing-military-20180516-story.html>>, Officials at NATO headquarters in Brussels say Trump is right to demand that Germany increase defense spending. "Trump is using different language and doing it more publicly, but he's essentially saying the same thing about Germany that previous U.S. presidents have been saying all along," said a NATO official from Britain in an interview in Brussels.

"Israel lawmakers hope Trump could ease made-in-USA rules for military aid"<<https://www.reuters.com/article/us-israel-usa-defence-aid/israel-lawmakers-hope-trump-could-ease-made-in-usa-rules-for-military-aid-idUSKCN1IM1S2>>, Israeli lawmakers suggested that this requirement could be renegotiated now that Obama has been succeeded by Trump, who has broken with other past U.S. policies by moving the U.S. embassy to Jerusalem last week.

"India plans to buy S-400 Triumf missiles from Russia; US asks countries to consider CAATSA"<<http://www.timesnownews.com/international/article/india-plans-to-buy-s-400-triumf-missiles-from-russia-us-asks-countries-to-consider-caatsa/229671>>, When specifically asked if she sees the possibility of US imposing sanctions on India, if it goes ahead with its defence deals with Russia, the senior US official said that everyone should read that legislation carefully and understand its intent.

"While Australia watched a wedding, China was making its next move"<<https://www.smh.com.au/world/asia/while-australia-watched-a-wedding-china-was-making-its-next-move-20180521-p4zghz.html>>, "The art of Chinese strategy," says Hugh White, "is to slice the salami pretty thinly" taking small, incremental steps in gradual accumulation of territory and power. "But every few months they do something to show there's nothing the US can do or will do to stop them."

"Piracy incidents double off coast of East Africa in 2017: study"<http://www.xinhuanet.com/english/2018-05/21/c_137195821.htm>, The experts said lack of economic opportunities and the prevalence of illegal fishing are pushing more Somalis to turn to piracy - partly as a form of protest and partly because they see no other options.

"US To Export Saab's Sea Giraffe Amb Radar To Philippine Navy"<http://www.defenseworld.net/news/22553/US_To_Export_Saab_s_Sea_Giraffe_Amb_Radar_To_Philippine_Navy#.WwL7x6rRW70>, The Sea Giraffe AMB (designated as AN/SPS-77 by the USN) will be installed on two Philippine Navy frigates: BRP Gregorio del Pilar (FF-15) and BRP Ramon Alcaraz (FF-16), both former US Coast Guard Hamilton-class cutters.

"Sikorsky's pitch for Canada: Our new helos are cheaper than upgrading yours"<<https://www.defensenews.com/industry/2018/05/21/sikorskys-pitch-for-canada-our-new-helos-are-cheaper-than-upgrading-yours/>>, The service is now working on a project to modernize its search and rescue fleet, but it has yet to decide whether to buy new aircraft or upgrade the Cormorants. Depending on its decision, the cost of the project would range from CA\$500 million to CA\$1.5 billion (U.S. \$391 million to U.S. \$1.2 billion)

"What's the Matter in Manbij? How an Obscure Syrian Town Could Determine the Future of the US-Turkish Alliance and what to do about it"<<https://warontherocks.com/2018/05/whats-the-matter-in-manbij-how-an-obscure-syrian-town-could-determine-the-future-of-the-u-s-turkish-alliance-and-what-to-do-about-it/>>, The forthcoming Turkish-American meeting about Syria offers an opportunity to expand the conversation and to use discussions about Manbij to explore how to move forward and help solve the brutal civil conflict in Syria.

"Afghan senators for cancelling security accords with US, Nato"<<https://nation.com.pk/21-May-2018/afghan-senators-for-cancelling-security-accords-with-us-nato>>, According to the senators, the Bilateral Security Agreement (BSA) between Afghanistan and the United States, and the Status of Forces Agreement (SOFA) signed between Afghanistan and NATO should be cancelled. "Afghan government should review the agreement," Mohammad Alam Ezedyar, first deputy speaker of the senate said.

"Would America Sell Taiwan the Ultimate Weapon: The F-35?"<<http://nationalinterest.org/blog/the-buzz/would-america-sell-taiwan-the-ultimate-weapon-the-f-35-25859?page=show>>, In a letter addressed to Trump on March 26, Sen. John Cornyn and Sen. James Inhofe urged the president to sell Taiwan the F-35B fighter jets. If that could not be arranged, then Cornyn and Inhofe that said Washington should sell Taipei the F-16V.

"US And Russia Compete To Privatize Syrian War"<<https://lobelog.com/us-and-russia-compete-to-privatize-syrian-war/>>, Still, the number of armed private contractors currently working under U.S. government contract in the Middle East is small and primarily defensive in nature. But if Arab governments contract Erik Prince to help build a force to replace American forces in Syria, that situation could quickly change.

"Largest Simulated Peacekeeping Mission Exercise Held in Brazil"<<https://dialogo-americas.com/en/articles/largest-simulated-peacekeeping-mission-exercise-held-brazil>>, "Integration between both simulators was only achieved by means of a command and control system the U.S. Army provided, and it required six months of work to ensure that interconnectivity was successful," said Lt. Gen. José Eduardo.

"Afghan official: Taliban kill 5 workers clearing land mines"<<http://www.foxnews.com/world/2018/05/21/afghan-official-taliban-kill-5-workers-clearing-land-mines.html>> Durrani says the de-miners were working for the TAPI national project, clearing a segment for a planned gas pipeline from central Asia that's headed to Pakistan and India through Afghanistan.

"Honduran Jesuit, delegation plead for end to U.S. military aid"<<https://cruxnow.com/church-in-the-usa/2018/05/19/honduran-jesuit-delegation-plead-for-end-to-u-s-military-aid/>>, Estimates put U.S. aid to Honduras targeted for "security" at between \$18 million to \$22 million in 2015. Many of those gathered have for years questioned whether the U.S. should be giving money to Hernandez and his administration.

"Trump rule change opens door for more gun exports"<<https://www.ctpost.com/news/article/Trump-rule-change-opens-door-for-more-gun-exports-12926979.php>>, The rule itself makes no secret of the sales windfall that awaits the U.S. firearms industry once it goes into effect. The transfer of responsibility from State to Commerce could result in an additional 30,000 license applications being filed annually, it said.

"US State official to visit India to boost military sales"<<https://www.thestatesman.com/world/us-state-official-tina-kaidanow-to-visit-india-to-boost-military-sales-1502637945.html>>, Tina Kaidanow, the Principal Deputy Assistant Secretary of State for Political-Military Affairs, "will hold talks on defence trade and peacekeeping, which are among two

key areas of the rapidly growing US-India partnership as envisioned in the Administration's Indo-Pacific strategy," the State Department said on Friday.

"Translating defence trade into cooperation in the Indo-Pacific"<<http://www.eastasiaforum.org/2018/05/20/translating-defence-trade-into-cooperation-in-the-indo-pacific/>>, As the United States looks to forge closer defence and security cooperation with India, defence trade is uniquely useful not only in helping India's military to modernise and build the capability that will enable it to play the role of net security provider, but also to do so in a way that aligns the military more closely with the United States and its armed forces.

Matthew Marquis

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From: Largey, Matthew W <mlargey@kut.org>
Sent: Monday, July 23, 2018 5:32 PM
To: mckeebydi@state.gov; pauljm@state.gov
Subject: Media Request - Defense Distributed et al v. United States Department of State et al

Hello,

I'm a reporter at KUT, the NPR affiliate in Austin, Texas.

I'm working on a story about the settlement in the case Defense Distributed et al v. United States Department of State et al (case # 1:15-cv-00372 in the Western District of Texas), which allows Defense Distributed to publish downloadable blueprints for 3D printable firearms on the internet.

The DOJ declined to comment, but suggested I reach out to you.

I have a few questions about the government's case and would like to speak with someone either on the record or on background. My deadline is Wednesday at 3pm Central time.

Thank you,

Matt Largey, Managing Editor
KUT | Austin's NPR Station | KUT.org
O: 512.471.1062
M: 512.436.0637
T: @mattlargey

From: Freeman, Jeremy B <FreemanJB@state.gov>
Sent: Monday, July 23, 2018 2:08 PM
To: Paul, Joshua M
Subject: Accepted: SFRC/HFAC Brief on DD Settlement

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Wednesday, July 25, 2018 12:47 PM
To: Marquis, Matthew R; PM-DTCP-RMA; Legal-PM-DL
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: RE: CPA Media Monitoring: Brady Campaign: What You Need to Know About the 3D Printing of Guns on Demand

(Note incoming FOIA)

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From: Marquis, Matthew R
Sent: Wednesday, July 25, 2018 12:47 PM
To: PM-DTCP-RMA <PM-DTCP-RMA@state.gov>; Legal-PM-DL <Legal-PM-DL@state.gov>
Cc: PM-CPA <PM-CPA@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Miller, Michael F <MillerMF@state.gov>
Subject: CPA Media Monitoring: Brady Campaign: What You Need to Know About the 3D Printing of Guns on Demand

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What You Need to Know About the 3D Printing of Guns on Demand By Jaime Bellemare
25 July 2018

On August 1st the state of our nation's gun laws will be severely threatened by the 3D printing of firearms.

The fact that we've even come this far, is curious at best. For five years, the State Department's legal team has been fighting and winning against a self described "crypto-anarchist" and his company, Defense Distributed, which has sought to make blueprints for 3D printed guns available online.

Only recently did the State Departments settle this case, completely reversing their prior position, and giving Defense Distributed everything they could have possibly wanted. While Brady's legal team has filed Freedom of Information Act (FOIA) requests to find out how and why this decision was made, the self-proclaimed "crypto-anarchist" will move forward to publish the blueprints for anyone and everyone to use. The Brady Center, along with Everytown and Giffords, is urging a Texas federal court to consider just how dangerous this could be and will be filing legal action.

5 THINGS YOU NEED TO KNOW ABOUT 3D PRINTED GUNS

Anyone, anywhere can build a gun on demand with no background check or without going through a licensed gun dealer.

3D printed firearms are untraceable, making the jobs of law enforcement much more difficult. These guns cannot be traced back to their producer or owner, making it possible to repeatedly violate gun manufacturing and sales restrictions on gun sales without fear of consequence.

3D guns are made almost completely of plastic -- meaning that conventional security methods like metal detectors will be rendered ineffective.

Unlimited access online to blueprints for 3D printed guns and the potential export of untraceable firearms is a threat to national and international defense and security.

3D gun blueprints are currently considered data that is governed by International Traffic in Arms Regulations (ITAR) and cannot be published without State Department authorization. The Trump Administration has proposed a new regulation to remove downloadable gun blueprints from this classification altogether, allowing anyone to post, repost, download, distribute and use 3D gun blueprints.

What can you do to stop this from becoming our new reality?

Call Attorney General Jeff Sessions

Jeff Sessions is responsible for representing the best interests of the United States in all legal matters. Call Sessions' office today and tell him to immediately take action and ensure that this settlement, allowing the public dissemination of information to make 3D guns, is stopped before it's too late.

The Department of Justice Public Switchboard is 202-514-2007. Make your voice heard today!

Support Brady's Legal Team

The Brady Center is working with other leading gun violence prevention organizations to take immediate action challenging the legality of making blueprints for 3D printed guns publicly accessible online. You can support this effort by making a donation to the Brady Center today.

Link: <http://www.bradycampaign.org/blog/what-you-need-to-know-about-the-3d-printing-of-guns-on-demand>

Matthew Marquis

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From: Heidema, Sarah J <HeidemaSJ@state.gov>
Sent: Wednesday, July 11, 2018 10:20 AM
To: Paul, Joshua M
Cc: McKeeby, David I; Miller, Michael F; Hart, Robert L; Monjay, Robert
Subject: Cody Wilson's claims on settlement

Josh-

https://www.wired.com/story/a-landmark-legal-shift-opens-pandoras-box-for-diy-guns/?mbid=social_fb
A Landmark Legal Shift Opens Pandora's Box for DIY Guns BY Andy Greenberg<<https://www.wired.com/author/andy-greenberg>>

Five years ago, 25-year-old radical libertarian Cody Wilson stood on a remote central Texas gun range and pulled the trigger on the world's first fully 3-D-printed gun<<https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/andygreenberg/2013/05/05/meet-the-liberator-test-firing-the-worlds-first-fully-3d-printed-gun/&refURL=https://www.google.com/&referrer=https://www.google.com/>>. When, to his relief, his plastic invention fired a .380-caliber bullet into a berm of dirt without jamming or exploding in his hands, he drove back to Austin and uploaded the blueprints for the pistol to his website, Defcad.com<<http://Defcad.com>>.1

He'd launched the site months earlier along with an anarchist video manifesto<https://www.youtube.com/watch?time_continue=167&v=rO54gzfite4>, declaring that gun control would never be the same in an era when anyone can download and print their own firearm with a few clicks. In the days after that first test-firing, his gun was downloaded more than 100,000 times. Wilson made the decision to go all in on the project, dropping out of law school at the University of Texas, as if to confirm his belief that technology supersedes law<<https://www.wired.com/2014/07/inside-dark-wallet/>>.

Cody Wilson, the founder of Defense Distributed, plans to create the world's largest repository of digital gun files.

Michelle Groskopf

The law caught up. Less than a week later, Wilson received a letter from the US State Department demanding that he take down his printable-gun blueprints or face prosecution for violating federal export controls<<https://www.forbes.com/sites/andygreenberg/2013/05/09/state-department-demands-takedown-of-3d-printable-gun-for-possible-export-control-violation/#251be32e375f>>. Under an obscure set of US regulations known as the International Trade in Arms Regulations (ITAR), Wilson was accused of exporting weapons without a license, just as if he'd shipped his plastic gun to Mexico rather than put a digital version of it on the internet. He took Defcad.com<<http://Defcad.com>> offline, but his lawyer warned him that he still potentially faced millions of dollars in fines and years in prison simply for having made the file available to overseas downloaders for a few days. "I thought my life was over," Wilson says.

Instead, Wilson has spent the last years on an unlikely project for an anarchist: Not simply defying or skirting the law but taking it to court and changing it. In doing so, he has now not only defeated a legal threat to his own highly controversial gunsmithing project. He may have also unlocked a new era of digital DIY gunmaking that further undermines gun control across the United States and the world-another step toward Wilson's imagined future where anyone can make a deadly weapon at home with no government oversight.

Two months ago, the Department of Justice quietly offered Wilson a settlement to end a lawsuit he and a group of co-plaintiffs have pursued since 2015 against the United States government<<https://www.wired.com/2015/05/3-d-printed-gun-lawsuit-starts-war-arms-control-free-speech/>>. Wilson and his team of lawyers focused their legal argument on a free speech claim: They pointed out that by forbidding Wilson from posting his 3-D-printable data, the State Department was not only violating his right to bear arms but his right to freely share information. By blurring the line between a gun and a digital file, Wilson had also successfully blurred the lines between the Second Amendment and the First.

"If code is speech, the constitutional contradictions are evident," Wilson explained to WIRED when he first launched the lawsuit in 2015. "So what if this code is a gun?"

The Department of Justice's surprising settlement, confirmed in court documents earlier this month, essentially surrenders to that argument. It promises to change the export control rules surrounding any firearm below .50 caliber-with a few exceptions like fully automatic weapons and rare gun designs that use caseless ammunition-and move their regulation to the Commerce Department, which won't try to police technical data about the guns posted on the public internet. In the meantime, it gives Wilson a unique license to publish data about those weapons anywhere he chooses.

"I consider it a truly grand thing," Wilson says. "It will be an irrevocable part of political life that guns are downloadable, and we helped to do that."

Now Wilson is making up for lost time. Later this month, he and the nonprofit he founded, Defense Distributed, are relaunching their website Defcad.com<<http://Defcad.com>> as a repository of firearm blueprints they've been privately creating and collecting, from the original one-shot 3-D-printable pistol he fired in 2013 to AR-15 frames and more exotic DIY semi-automatic weapons. The relaunched site will be open to user contributions, too; Wilson hopes it will soon serve as a searchable, user-generated database of practically any firearm imaginable. [https://media.wired.com/photos/5b3a9366c002fe17d01df633/4:3/w_1920,c_limit/DD-01w.jpg]

All of that will be available to anyone anywhere in the world with an uncensored internet connection, to download, alter, remix, and fabricate into lethal weapons with tools like 3-D printers and computer-controlled milling machines. "We're doing the encyclopedic work of collecting this data and putting it into the commons," Wilson says. "What's about to happen is a Cambrian explosion of the digital content related to firearms." He intends that database, and the inexorable evolution of homemade weapons it helps make possible, to serve as a kind of bulwark against all future gun control, demonstrating its futility by making access to weapons as ubiquitous as the internet.

Of course, that mission seemed more relevant when Wilson first began dreaming it up, before a political party with no will to rein in America's gun death epidemic held control of Congress, the White House, and likely soon the Supreme

Court. But Wilson still sees Defcad as an answer to the resurgent gun control movement that has emerged in the wake of the Parkland, Florida, high school shooting that left 17 students dead in February.

The potential for his new site, if it functions as Wilson hopes, would also go well beyond even the average Trump supporter's taste in gun rights. The culture of homemade, unregulated guns it fosters could make firearms available to even those people who practically every American agrees shouldn't possess them: felons, minors, and the mentally ill. The result could be more cases like that of John Zawahiri, an emotionally disturbed 25-year-old who went on a shooting spree in Santa Monica, California, with a homemade AR-15 in 2015<<https://www.wsj.com/articles/the-rise-of-untraceable-ghost-guns-1515061800>>, killing five people, or Kevin Neal, a Northern California man who killed five people with AR-15-style rifles-some of which were homemade-last November<<https://www.nbcnews.com/news/us-news/california-mass-shooter-made-his-own-killing-machines-n821516>>.

"This should alarm everyone," says Po Murray, chairwoman of Newtown Action Alliance, a Connecticut-focused gun control group created in the wake of the mass shooting at Sandy Hook Elementary School in 2013. "We're passing laws in Connecticut and other states to make ensure these weapons of war aren't getting into the hands of dangerous people. They're working in the opposite direction."

When reporters and critics have repeatedly pointed out those potential consequences of Wilson's work over the last five years, he has argued that he's not seeking to arm criminals or the insane or to cause the deaths of innocents. But nor is he moved enough by those possibilities to give up what he hopes could be, in a new era of digital fabrication, the winning move in the battle over access to guns.

With his new legal victory and the Pandora's box of DIY weapons it opens, Wilson says he's finally fulfilling that mission. "All this Parkland stuff, the students, all these dreams of 'common sense gun reforms'? No. The internet will serve guns, the gun is downloadable." Wilson says now. "No amount of petitions or die-ins or anything else can change that."

Defense Distributed operates out of an unadorned building in a north Austin industrial park, behind two black-mirrored doors marked only with the circled letters "DD" scrawled by someone's finger in the dust. In the machine shop inside, amid piles of aluminum shavings, a linebacker-sized, friendly engineer named Jeff Winkleman is walking me through the painstaking process of turning a gun into a collection of numbers.

Winkleman has placed the lower receiver of an AR-15, the component that serves as the core frame of the rifle, on a granite table that's been calibrated to be perfectly flat to one ten-thousandth of an inch. Then he places a Mitutoyo height gauge-a thin metal probe that slides up and down on a tall metal stand and measures vertical distances-next to it, poking one edge of the frame with its probe to get a baseline reading of its position. "This is where we get down to the nitty gritty," Winkleman says. "Or, as we call it, the gnat's ass."

Winkleman then slowly rotates the guage's rotary handle to move its probe down to the edge of a tiny hole on the side of the gun's frame. After a couple careful taps, the tool's display reads 0.4775 inches. He has just measured a single line-one of the countless dimensions that define the shape of any of the dozens of component of an AR-15-with four decimal places of accuracy. Winkleman's job at Defense Distributed now is to repeat that process again and again, integrating that number, along with every measurement of every nook, cranny, surface, hole, lip, and ridge of a rifle, into a CAD model he's assembling on a computer behind him, and then to repeat that obsessively comprehensive model-building for as many guns as possible.

That a digital fabrication company has opted for this absurdly manual process might seem counterintuitive. But Winkleman insists that the analog measurements, while infinitely slower than modern tools like laser scanners, produce a far more accurate model-a kind of gold master for any future replications or alterations of that weapon. "We're trying to set a precedent here," Winkelman says. "When we say something is true, you absolutely know it's true."

One room over, Wilson shows me the most impressive new toy in the group's digitization toolkit, one that arrived just three days earlier: A room-sized analog artifact known as an optical comparator. The device, which he bought used for \$32,000, resembles a kind of massive cartoon X-ray scanner.

Defense Distributed's optical comparator, a room-sized machine the group is using to convert physical guns to collections of digital measurements.

Michelle Groskopf

Wilson places the body of an AR-9 rifle on a pedestal on the right side of the machine. Two mercury lamps project neon green beams of light onto the frame from either side. A lens behind it bends that light within the machine and then projects it onto a 30-inch screen at up to 100X magnification. From that screen's mercury glow, the operator can map out points to calculate the gun's geometry with microscopic fidelity. Wilson flips through higher magnification lenses, then focuses on a series of tiny ridges of the frame until the remnants of their machining look like the brush strokes of Chinese calligraphy. "Zoom in, zoom in, enhance" Wilson jokes.

Wilson's first controversial innovation was to demonstrate how digital files could be converted to physical, deadly weapons.

Michelle Groskopf

He now sees an opportunity to cripple gun control with the opposite tactic: digitizing as many weapons as possible and making the files available to gunsmiths.

Michelle Groskopf

Turning physical guns into digital files, instead of vice-versa, is a new trick for Defense Distributed. While Wilson's organization first gained notoriety for its invention of the first 3-D printable gun, what it called the Liberator, it has since largely moved past 3-D printing. Most of the company's operations are now focused on its core business: making and selling a consumer-grade computer-controlled milling machine known as the Ghost Gunner<<https://www.wired.com/2015/06/i-made-an-untraceable-ar-15-ghost-gun/>>, designed to allow its owner to carve gun parts out of far more durable aluminum. In the largest room of Defense Distributed's headquarters, half a dozen millennial staffers with beards and close-cropped hair-all resembling Cody Wilson, in other words-are busy building those mills in an assembly line, each machine capable of skirting all federal gun control to churn out untraceable metal glocks and semiautomatic rifles en masse.

The staff of Defense Distributed: part startup, part advocacy group, part armed insurgency.

Michelle Groskopf

For now, those mills produce only a few different gun frames for firearms, including the AR-15 and 1911 handguns<<https://www.wired.com/story/ghost-gun-machine-makes-untraceable-handguns/>>. But Defense Distributed's engineers imagine a future where their milling machine and other digital fabrication tools-such as consumer-grade aluminum-sintering 3-D printers that can print objects in metal-can make practically any digital gun component materialize in someone's garage.

Most of Defense Distributed's staff work on the group's central source of revenue: building gun-making computer controlled milling machines called the Ghost Gunner

Michelle Groskopf

A Ghost Gunner can finish an AR-15 lower receiver, the central part of the rifle's frame, in a few hours. Defense Distributed has sold close to 6,000 of the machines.

Michelle Groskopf

In the meantime, selling Ghost Gunners has been a lucrative business. Defense Distributed has sold roughly 6,000 of the desktop devices to DIY gun enthusiasts across the country, mostly for \$1,675 each, netting millions in profit. The company employs 15 people and is already outgrowing its North Austin headquarters. But Wilson says he's never been interested in money or building a startup for its own sake. He now claims that the entire venture was created with a singular goal: to raise enough money to wage his legal war against the US State Department.

After his lawyers originally told him in 2013 that his case against the government was hopeless, Wilson fired them and hired two new ones with expertise in export control and both Second and First-Amendment law. Matthew Goldstein, Wilson's lawyer who is focused on ITAR, says he was immediately convinced of the merits of Wilson's position. "This is the case you'd bring out in a law school course as an unconstitutional law," Goldstein says. "It ticks all the check boxes of what violates the First Amendment."

When Wilson's company teamed up with the Second Amendment Foundation and brought their lawsuit to a Texas District court in 2015, they were supported by a collection of amicus briefs from a shockingly broad coalition: Arguments in their favor were submitted by not only the libertarian Cato Institute, the gun-rights-focused Madison Society, and 15 Republican members of Congress but also the Electronic Frontier Foundation and the Reporters Committee for Freedom of the Press.

When the judge in the case nonetheless rejected Defense Distributed's request for a preliminary injunction that would have immediately allowed it to continue publishing gun files, the company appealed, and lost. But as the case proceeded toward a ruling on Defense Distributed's first amendment argument, the government surprised the plaintiffs by suddenly offering them a settlement with essentially everything they wanted. It even pays back \$40,000 of their court costs and paperwork fees. (Wilson says that's still only about 10 percent of the \$400,000 that the plaintiffs spent.)

Goldstein says the settlement may have had as much to do with ITAR reforms begun during the Obama administration as with the gun-friendly Trump administration that took over the case. But he doesn't rule out that a new regime may have helped tip the balance in the plaintiffs' favor. "There's different management at the helm of this agency," Goldstein says. "You can draw your own conclusions." Both the Department of Justice and the State Department declined to comment on the outcome of the case.

With the rule change their win entails, Defense Distributed has removed a legal threat to not only its project but an entire online community of DIY gunmakers<<https://www.wired.com/2014/05/3d-printed-guns/>>. Sites like GrabCAD and FossCad already host hundreds of gun designs, from Defense Distributed's Liberator pistol to printable revolvers and even semiautomatic weapons. "There's a lot of satisfaction in doing things yourself, and it's also a way of expressing support for the Second Amendment," explains one prolific FossCad contributor, a West Virginian serial inventor of 3-D-printable semiautomatics<<https://www.wired.com/2016/02/someone-mostly-3-d-printed-a-working-semi-automatic-gun/>> who goes by the pseudonym Derwood. "I'm a conservative. I support all the amendments."

But until now, Derwood and practically every other participant on those platforms risked prosecution for violating export controls, whether they knew it or not. Though enforcement has been rare against anyone less vocal and visible than Wilson, many online gunsmiths have nonetheless obscured their identities for that reason. With the more open and intentional database of gun files that Defcad represents, Wilson believes he can create a collection of files that's both more comprehensive and more refined, with higher accuracy, more detailed models for every component, giving machinists all the data they need to make or remix them. "This is the stuff that's necessary for the creative work to come," Wilson says.

In all of this, Wilson sees history repeating itself: He points to the so-called Crypto Wars of the 1990s<<https://www.wired.com/1993/02/crypto-rebels/>>. After programmer Phillip Zimmermann in 1991 released PGP, the world's first free encryption program that anyone could use to thwart surveillance. he too was threatened with an indictment for violating export restrictions. Encryption software was, at the time, treated as a munition and placed on the same prohibited export control list as guns and missiles. Only after a fellow cryptographer, Daniel Bernstein, sued the government<<https://www.wired.com/2002/10/professors-case-unlock-crypto/>> with the same free-speech argument Wilson would use 20 years later did the government drop its investigation of Zimmermann and spare him from prison.

"This is a specter of the old thing again," Wilson says. "What we were actually fighting about in court was a core crypto-war problem." And following that analogy, Wilson argues, his legal win means gun blueprints can now spread as widely as encryption has since that earlier legal fight: After all, encryption has now grown from an underground curiosity to a commodity integrated into apps, browsers, and websites running on billions of computers and phones across the globe.

But Zimmermann takes issue with the analogy-on ethical if not legal grounds. This time, he points out, the First Amendment-protected data that was legally treated as a weapon actually is a weapon. "Encryption is a defense technology with humanitarian uses," Zimmermann says. "Guns are only used for killing."

"Arguing that they're the same because they're both made of bits isn't quite persuasive for me," Zimmermann says. "Bits can kill."

After a tour of the machine shop, Wilson leads me away from the industrial roar of its milling machines, out the building's black-mirrored-glass doors and through a grassy patch to its back entrance. Inside is a far quieter scene: A large, high-ceilinged, dimly fluorescent-lit warehouse space filled with half a dozen rows of gray metal shelves, mostly covered in a seemingly random collection of books, from *The Decline and Fall of the Roman Empire* to *Hunger Games*. He proudly points out that it includes the entire catalog of Penguin Classics and the entire Criterion Collection, close to 900 Blu-rays. This, he tells me, will be the library.

And why is Defense Distributed building a library? Wilson, who cites Baudrillard, Foucault, or Nietzsche at least once in practically any conversation, certainly doesn't mind the patina of erudition it lends to what is essentially a modern-day gun-running operation. But as usual, he has an ulterior motive: If he can get this room certified as an actual, official public library, he'll unlock another giant collection of existing firearm data. The US military maintains records of thousands of the specs for thousands of firearms in technical manuals, stored on reels and reels of microfiche cassettes. But only federally approved libraries can access them. By building a library, complete with an actual microfiche viewer in one corner, Wilson is angling to access the US military's entire public archive of gun data, which he eventually hopes to digitize and include on Defcad.com<<http://Defcad.com>>, too.

To exploit a technical loophole that gives him access to military weapons files, Cody Wilson is also building a library. He proudly notes it will include the entire Criterion Collection on Blu-ray.

Michelle Groskopf

"Ninety percent of the technical data is already out there. This is a huge part of our overall digital intake strategy," Wilson says. "Hipsters will come here and check out movies, independent of its actual purpose, which is a stargate for absorbing ancient army technical materials."

Browsing that movie collection, I nearly trip over something large and hard. I look down and find a granite tombstone with the words AMERICAN GUN CONTROL engraved on it. Wilson explains he has a plan to embed it in the dirt under a tree outside when he gets around to it. "It's maybe a little on the nose, but I think you get where I'm going with it," he says.

Wilson plans to bury this tombstone by his library's entrance. "It's maybe a little on the nose," he admits.

Michelle Groskopf

Wilson's library will serve a more straightforward purpose, too: In one corner stands a server rack that will host Defcad's website and backend database. He doesn't trust any hosting company to hold his controversial files. And he likes the optics of storing his crown jewels in a library, should any reversal of his legal fortunes result in a raid. "If you want to come get it, you have to attack a library," he says.

On that subject, he has something else to show me. Wilson pulls out a small embroidered badge. It depicts a red, dismembered arm on a white background. The arm's hand grips a curved sword, with blood dripping from it. The symbol, Wilson explains, once flew on a flag above the Goliad Fort in South Texas. In Texas' revolution against Mexico in the 1830s, Goliad's fort was taken by the Mexican government and became the site of a massacre of 400 American prisoners of war, one that's far less widely remembered than the Alamo.

Wilson recently ordered a full-size flag with the sword-wielding bloody arm. He wants to make it a new symbol for his group. His interest in the icon, he explains, dates back to the 2016 election, when he was convinced Hillary Clinton was set to become the president and lead a massive crackdown on firearms.

The flag of Goliad, which Wilson has adopted as a new symbol for his group. He suggests you interpret it as you will.

Michelle Groskopf

If that happened, as Wilson tells it, he was ready to launch his Defcad repository, regardless of the outcome of his lawsuit, and then defend it in an armed standoff. "I'd call a militia out to defend the server, Bundy-style," Wilson says calmly, in the first overt mention of planned armed violence I've ever heard him make. "Our only option was to build an infrastructure where we had one final suicidal mission, where we dumped everything into the internet," Wilson says. "Goliad became an inspirational thing for me."

Now, of course, everything has changed. But Wilson says the Goliad flag still resonates with him. And what does that bloody arm symbol mean to him now, in the era where Donald Trump is president and the law has surrendered to his will? Wilson declines to say, explaining that he would rather leave the mystery of its abstraction intact and open to interpretation.

But it doesn't take a degree in semiotics to see how the Goliad flag suits Defense Distributed. It reads like the logical escalation of the NRA's "cold dead hands" slogan of the last century. In fact, it may be the perfect symbol not just for Defense Distributed's mission but for the country that produced it, where firearms result in tens of thousands of deaths a year—vastly more than any other developed nation in the world—yet groups like Wilson's continue to make more progress in undermining gun control than lawmakers do in advancing it. It's a flag that represents the essence of violent extremist ideology: An arm that, long after blood is spilled, refuses to let go. Instead, it only tightens its grip on its weapon, as a matter of principle, forever.

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1Corrected 7/10/2018 2:30 EST to note that the first 3-D printed gun used .380-caliber ammunition, not .223-caliber.

Sent from iPhone

703-307-8415

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

Official

UNCLASSIFIED

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Thursday, July 26, 2018 2:07 PM
To: Freeman, Jeremy B; Hart, Robert L; Miller, Michael F; Heidema, Sarah J
Cc: Rogers, Shana A; Darrach, Tamara A
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

[REDACTED]

Thanks,

Josh

Official - SBU
UNCLASSIFIED

From: Freeman, Jeremy B
Sent: Wednesday, July 25, 2018 5:32 PM
To: Paul, Joshua M <PaulJM@state.gov>; Hart, Robert L <HartRL@state.gov>; Miller, Michael F <MillerMF@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>
Cc: Rogers, Shana A <RogersSA2@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

[REDACTED]

Official - SBU
UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 5:30 PM
To: Hart, Robert L; Miller, Michael F; Heidema, Sarah J
Cc: Rogers, Shana A; Freeman, Jeremy B; Darrach, Tamara A
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

[REDACTED]

Official - Transitory
UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 4:43 PM
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

Official - Transitory
UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 12:29 PM
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits
Importance: High

+Tamara

L/PM, Fite wants to know if we will provide responses today; we need is L clearance and inputs, so please let me know if you think we'll get that today.

Josh

How long is "temporary" under ITAR 126.2? Is there a minimum period of time, or is it completely at the discretion of the PM DAS?

A: The settlement agreement provides that the §126.2 action will be announced on the DDTC website "while the above-referenced final rule is in development." Thus, the §126.2 action is to be superseded by the conclusion of the ongoing rulemaking effort that would revise USML Category I.

Please provide us an illustrative list of the defense items and related controlled technology State was concerned would be subject to potentially future lawsuits requiring removal of controls for public sharing had there been an unfavorable ruling in the DD case.

A: We do not have a specific list to share, as our concern covers the breadth of the USML - all of which (minus those items and technologies we are seeking to move to Commerce's jurisdiction) we view as providing the United States with a critical military or intelligence advantage.

Please also provide to us separately notional legislative language to remove or reduce the vulnerability of these items and technology from such disclosure.

A: As discussed during the briefing, and as asserted by the plaintiff in this case, the issues at play are Constitutional, and as such, we do not have notional legislative language to propose. It is important to note that the International Traffic in Arms Regulations implement the Arms Export Control Act; both the statute and regulations have limited jurisdiction over domestic activity or certain domestic law enforcement concerns of the type we have discussed recently.

In addition, please ask your counsel to send details on the cases he mentioned that are indicative of federal courts likely to find against the government.

A: (defer to L/PM on what we might be able/willing to provide)

Official - Transitory
UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 10:54 AM
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

Fite just added the following, but I think the draft below addresses this:

To put in the context of the settlement agreement: how long does the agreement, as a matter of law and strict interpretation, require the 126.2 suspension to remain in effect? The antecedent phrase in the agreement states, "while the above-referenced rule is in development"; if State understands or interprets the referenced "rule" as the CAT I-III regulatory change in process (and is that correct), what interpretation is State using for what "while" means? For the length of duration of the development of the CAT I-III rule - which presumably extends to the end of the formal 38(f) process? Or could "while" mean "during", a period of time not necessarily terminating with the legal completion of the CAT I-III rule process?

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UNCLASSIFIED

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 10:44 AM
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

I suggest striking the final sentence, below. Recommending Congress to take action on domestic firearms controls writ large is not a good look for the Department.

Official - Transitory
UNCLASSIFIED

From: Hart, Robert L
Sent: Wednesday, July 25, 2018 10:42 AM
To: Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>
Cc: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>
Subject: RE: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

Two suggestions below in green--

Rob Hart

202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official - Transitory

UNCLASSIFIED

From: Miller, Michael F

Sent: Wednesday, July 25, 2018 10:29 AM

To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>

Cc: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>

Subject: Proposed Hill responses: Defense items and technology vulnerable to Disclosure from Future Lawsuits

(proposed, likely far too loose language in red to Fite and Rice questions, for your editing pleasure)

Official - Transitory

UNCLASSIFIED

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>

Sent: Wednesday, July 25, 2018 9:47 AM

To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>

Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Bartley, Megan (Foreign Relations) <Megan_Bartley@foreign.senate.gov<mailto:Megan_Bartley@foreign.senate.gov>>; Ricchetti, Daniel (Foreign Relations) <Daniel_Ricchetti@foreign.senate.gov<mailto:Daniel_Ricchetti@foreign.senate.gov>>

Subject: RE: Defense items and technology vulnerable to Disclosure from Future Lawsuits

In addition, please ask your counsel to send details on the cases he mentioned that are indicative of federal courts likely to find against the government.

A: (defer to L/PM on what we might be able/willing to provide)

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>

Sent: Wednesday, July 25, 2018 9:15 AM

To: Miller, Michael F (Millermf@state.gov<mailto:Millermf@state.gov>) <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M (PaulJM@state.gov<mailto:PaulJM@state.gov>) <PaulJM@state.gov<mailto:PaulJM@state.gov>>; 'Darrach, Tamara A' <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>

Cc: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>; McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Bartley, Megan (Foreign Relations) <Megan_Bartley@foreign.senate.gov<mailto:Megan_Bartley@foreign.senate.gov>>; Ricchetti, Daniel (Foreign Relations) <Daniel_Ricchetti@foreign.senate.gov<mailto:Daniel_Ricchetti@foreign.senate.gov>>

Subject: Defense items and technology vulnerable to Disclosure from Future Lawsuits

How long is "temporary" under ITAR 126.2? Is there a minimum period of time, or is it completely at the discretion of the PM DAS?

A: The settlement agreement provides that the §126.2 action will be announced on the DDTC website "while the above-referenced final rule is in development." Thus, the §126.2 action is to be superseded by the conclusion of the ongoing rulemaking effort that would revise USML Category I.

Please provide us an illustrative list of the defense items and related controlled technology State was concerned would be subject to potentially future lawsuits requiring removal of controls for public sharing had there been an unfavorable ruling in the DD case.

A: We do not have a specific list to share, as our concern covers the breadth of the USML - all of which (minus those items and technologies we are seeking to move to Commerce's jurisdiction) we view as providing the United States with a critical military or intelligence advantage.

Please also provide to us separately notional legislative language to remove or reduce the vulnerability of these items and technology from such disclosure.

A: It is important to note that the International Traffic in Arms Regulations implement the Arms Export Control Act; both the statute and regulations have limited jurisdiction over domestic activity or certain domestic law enforcement concerns of the type we have discussed recently. Notwithstanding the potential Constitutional concerns that compelled in significant part the actions taken in the Defense Distributed matter, legislative action to address your concerns may be most appropriate outside of the relatively narrow context of the AECA, e.g. in a statute that more could more broadly prohibit the dissemination of this data even where no nexus to export control concerns exists.

From: Heidema, Sarah J <HeidemaSJ@state.gov>
Sent: Monday, July 23, 2018 1:32 PM
To: Paul, Joshua M
Subject: Accepted: SFRC/HFAC Brief on DD Settlement

From: Babington, Thomas M <BabingtonTM@state.gov>
Sent: Thursday, July 26, 2018 12:25 PM
To: PM-CPA
Subject: FW: CBS EVENING NEWS: ON DEADLINE: Defense Distributed & SAF Settlement Inquiry
Attachments: 0711 CONTINGENCY POINTS--DDTC--DEFENSE DISTRIBUTED.docx

PM Colleagues,



Tom Babington
Press Officer

Official
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From: Flickinger, Ian <FlickingerI@cbsnews.com>
Sent: Thursday, July 26, 2018 12:05 PM
To: PA Press Duty <PAPressDuty@state.gov>
Subject: CBS EVENING NEWS: ON DEADLINE: Defense Distributed & SAF Settlement Inquiry

Hello,

I hope all is well. I work in the research department at the CBS Evening News. Would someone be able to provide some guidance regarding the State Department's settlement with Defense Distributed, SAF and Conn Williamson?

Can you provide a statement explaining the State Department's decision to settle: what factors were weighed and what type of analysis was conducted in making the decision?

This would be for tonight's broadcast, our deadline is 3:30PM. Thanks so much in advance for your help with this. I can be reached at this email or by phone at 212-975-7178 if you have any questions.

Best,

Ian Flickinger
Research Department | CBS Evening News

From: Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov>
Sent: Friday, July 20, 2018 3:15 PM
To: Paul, Joshua M
Cc: Fite, David (Foreign Relations); Rice, Edmund; Miller, Michael F; Darrach, Tamara A; McCormick, Jamie
Subject: Re: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

If like to add two questions here - how are other countries handling this software issue? And, has TSA provided and opinions on the detectability of plastic firearms if packed in pieces?

Thanks!

Sent from my iPhone

On Jul 20, 2018, at 2:42 PM, Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>> wrote:

We're working on putting something together and I have noted both the timeline you have indicated, as well as the obvious importance you place on this matter (a perspective we of course share), to our team, and will get back to you as soon as I have any updates.

Josh

Official - SBU
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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 2:33 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

State apparently agreed to invoke the suspension under 126.2 by 7/27. Will State be doing this on the 27th for before? Will State do it before briefing us next week?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 2:25 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>

Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

I will pass back these questions to our team, and we look forward to discussing them with you in person to the extent that they fall within the context of our responsibilities under the AECA.

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From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 2:10 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

But it's State's changes that are allowing this to be implemented right? And it's these changes that State will take, especially pursuant to the authority in 126.2, that will allow this information to be disseminated worldwide without a license, without penalty, right?

Do you mean to tell us this question did not arise or was not fully considered during the (presumably) interagency deliberation on the settlement agreement? Or do you have answers to these questions, but State isn't willing to tell us?

Additionally, State is about take an action to suspend the application of ITAR restrictions on the publication of controlled information/technology on the Internet for a temporary period of time, BEFORE the reg change transferring the defense items that the information/tech pertains to becomes final. And what if that reg change does not become final, or is different from the draft rule? In that instance, State will have allowed the worldwide transfer of export-controlled information "in the interest of the security and foreign policy of the United States"?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 2:01 PM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hi David,

We would need to refer you to TSA or other law enforcement organizations on this question. The DDTC nexus on this issue was/is limited to our role in controlling exports of tech data, which is the only reason we got involved in the first place.

Josh

Official - SBU

UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 1:38 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rice, Edmund
<Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie
(Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Also, what are the law enforcement and counter-terrorism implications of this change? Enabling the widespread acquisition of undetectable or largely-undetectable firearms would seem to be a bad idea, especially in protection of domestic and international airline flights from terrorist hijacking/attacks. What changes will be required by TSA here and abroad to deal with this?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:42 AM
To: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie
(Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Understood, and that's helpful information. We'll round back and be in touch.

Official
UNCLASSIFIED

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:32 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Fite, David (Foreign Relations)
<David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie
(Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

A phone call would be only a first step for we four. I expect that as news of this settlement spreads, there will be a requirement to brief a number of Congressional staff and then Members.

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Sent: Friday, July 20, 2018 11:21 AM
To: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>

Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hello,

We've actually been in the process of putting together a briefing for you on this – with the intent being to provide a phone call early next week. Would that work?

Josh

Official
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>
Sent: Friday, July 20, 2018 11:10 AM
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Paul, Joshua <pauljm@state.gov<mailto:pauljm@state.gov>>; Darrach, Tamara <darrachta@state.gov<mailto:darrachta@state.gov>>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David_Fite@foreign.senate.gov<mailto:David_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie_Oliver@foreign.senate.gov<mailto:Stacie_Oliver@foreign.senate.gov>>
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Importance: High

Mike, et.al<https://urldefense.proofpoint.com/v2/url?u=http-3A__et.al&d=DwQFag&c=L93KkjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7_ZRFYXD_2-oNGpZDaSv48lvk3sok_Kc-8uCoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E_XypzmUYkPwY&s=WDbfGOTuqtofudKGj_R9heOE3es9SbkzJomT50T-7pA&e=:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Wednesday, May 16, 2018 2:34 PM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: American Shipper: Export reform triggers gun, ammo control shift

[cid:image001.png@01D29279.128F6050]

Export reform triggers gun, ammo control shift By Brian Bradley
16 May 2018

The Commerce Department's Bureau of Industry and Security (BIS) and State Department's Directorate of Defense Trade Controls (DDTC) posted proposed rules on Monday to shift certain items from U.S. Munitions List (USML) categories to the Commerce Control List (CCL).

The shift would affect categories I (firearms, close assault weapons and combat shotguns); II (guns and armament); and III (ammunition/ordnance). The complementary proposed rules, which have been posted to DDTC's and BIS' websites, have been submitted for publication in the Federal Register, the agencies said.

Firearms and related articles inherently for military end use or that aren't widely available in retail outlets will remain subject to State Department export licensing controls, a State Department spokesperson said.

Once the rules are finalized, items widely available in retail outlets currently regulated under USML categories I-III will shift into the 500 series of controls in Category 0 of the CCL, remaining subject to export licensing requirements, interagency review and monitoring of commercial entities involved in export and sales, the spokesperson said.

The proposed changes apply to exports and temporary importations.

The proposed rules cover the last USML categories that have remained untouched by export control reform, an effort started by the Obama administration's BIS and State Department in 2010, in part, to simplify export controls and ease the exporting process for U.S. firms doing business with products on the USML and CCL.

"We anticipate that a number of firearms manufacturers, including many small businesses, that are currently required to register with the Department of State, will be relieved from an annual fee burden under this proposed rule," the spokesperson said in an email. "The Department of Commerce's Bureau of Industry and Security does not have registration requirements or export licensing fees."

The proposed rules would switch all non-automatic and semi-automatic firearms from the USML to the CCL, and the USML will continue to control all fully automatic firearms, including guns up to .50-caliber, guns at .50-caliber and above and shotguns, a State official said during a Tuesday call with reporters.

The USML also will still control silencers, sound suppressors and mufflers, as well as large parts and components for automatic weapons that are the functional part for the weapon itself, including barrels, receivers, bolts, bolt carriers, slides and gears, for both automatic firearms and firearms using caseless ammunition, the official said.

"The biggest change is that the commercial firearms industry will be able to use Commerce licensing but still have to face worldwide controls," a Commerce Department official said on the call. "All licenses will be reviewed by the Department of State, Department of Defense and any other agency which so chooses."

Those agencies will maintain a strict interpretation of export control rules, but the items shifted to the CCL will be subject to less restrictions on associated business transactions, the Commerce official said.

BIS and State said they will each administer 45-day public comment periods, starting on the day the proposed rules are published in the Federal Register.

Link: <https://www.americanshipper.com/main/full/export-reform-triggers-gun-ammo-control-shift-71392.aspx>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov <<mailto:MarquisMR@state.gov>> | Web: www.state.gov/t/pm
/<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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[cid:image001.png@01CF5314.69A33A30]<<http://twitter.com/StateDept>>[cid:image002.png@01CF5314.69A33A30]<<http://statedept.tumblr.com/>>[cid:image003.png@01CF5314.69A33A30]<<http://www.state.gov/misc/echannels/66791.htm>>[cid:image004.png@01CF5314.69A33A30]<<http://www.facebook.com/usdos>>[cid:image005.png@01CF5314.69A33A30]<<http://www.flickr.com/photos/statephotos>>[cid:image006.png@01CF5314.69A33A30]<<http://www.youtube.com/user/statevideo>>[cid:image007.png@01CF5314.69A33A30]<<https://plus.google.com/u/0/102630068213960289352#102630068213960289352/posts>>

From: Jim Bartlett, Full Circle Compliance <jebartlett@fullcirclecompliance.eu>
Sent: Wednesday, July 18, 2018 2:31 PM
To: pauljm@state.gov
Subject: 18-0718 Wednesday "Daily Bugle"

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Wednesday, 18 July 2018
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The Daily Bugle is a free daily newsletter from Full Circle Compliance, containing changes to export/import regulations (ATF, DOE/NRC, Customs, NISPOM, EAR, FACR/OFAC, FAR/DFARS, FTR/AES, HTSUS, and ITAR), plus news and events. Subscribe here  
[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\\_nG79OMMrgDThd\\_AK3BkiniKzGkSTLtdzyDt-zyL2M9Tr3iE-cDL7A5-AiezKiU3JNxtOWfXtAvA\\_ZSE2hFJ0op7nuPsZByfja9i1CTF5Be2uhVIJ57pE0xh0kOpRtf47evd3pAastKWQ86v5RIDLntBgEXAiqcONdb5pke2g-&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW\\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\\_FAs\\_91UAQOcNzu-2zzC6o7vvn7Q==](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB_nG79OMMrgDThd_AK3BkiniKzGkSTLtdzyDt-zyL2M9Tr3iE-cDL7A5-AiezKiU3JNxtOWfXtAvA_ZSE2hFJ0op7nuPsZByfja9i1CTF5Be2uhVIJ57pE0xh0kOpRtf47evd3pAastKWQ86v5RIDLntBgEXAiqcONdb5pke2g-&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==)]  
for free subscription. Contact us [<mailto:advertising@fullcirclecompliance.eu>] for advertising inquiries and rates.  
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ITEMS FROM FEDERAL REGISTER

[No items of interest noted today.]

OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions 2. Commerce/BIS: (No new postings.) 3. DHS/CBP Releases Notice Concerning Section 232 Product Exclusion ID Test Data 4. DHS/CBP Updates Drawback CATAIR and Error Dictionary 5. State/DDTC: (No new postings.) 6. EU Amends North Korea Sanctions, Imposes Provisional Safeguard Measures Concerning Certain Steel Imports

NEWS

1. Big Think: "You Can Legally Download 3D-Printed Gun Designs Starting August 1st"
2. Global Trade News: "EU and Japan Sign Historic Free Trade Deal"
3. The Independent: "Government Should Look to Block Arms Sales to Countries Accused of Rights Abuses, Influential Group Of MPs Says"
4. Reuters: "Exclusive: Philippines Could Breach U.S. Sanctions If Russia Arms Deal Proceeds"
5. ST&R Trade Report: "Canada Accepting Requests to Avoid Retaliatory Duties on U.S. Goods"

EX/IM TRAINING EVENTS & CONFERENCES

1. Full Circle Compliance Presents "Awareness Course U.S. Export Controls: ITAR & EAR From a Non-U.S. Perspective", 2 Oct in Bruchem, the Netherlands

EDITOR'S NOTES

1. Bartlett's Unfamiliar Quotations

2. Are Your Copies of Regulations Up to Date? Latest Amendments: ATF (15 Jan 2016), Customs (12 Jun 2018), DOD/NISPOM (18 May 2016), EAR (6 Jun 2018), FACR/OFAC (29 Jun 2018), FTR (24 Apr 2018), HTSUS (8 Jun 2018), ITAR (14 Feb 2018) 3. Weekly Highlights of the Daily Bugle Top Stories

ITEMS FROM TODAY'S FEDERAL REGISTER

[No items of interest noted today.]

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OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions

(Source: Federal Register

[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB1SiHP1wm0TiaRvulQxUoNfSsTW9Jxhu7EkzH22wdDCle5wkidPumOQI9YvG5GS0Ebn8wblrzU0-1KtPcBrMfKEoRceO3RXOhYnJXr67ogTf2MgHZVQKjNtBURleTI4EfII0b2ihunSM9mehJBXh7U8=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==\]](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB1SiHP1wm0TiaRvulQxUoNfSsTW9Jxhu7EkzH22wdDCle5wkidPumOQI9YvG5GS0Ebn8wblrzU0-1KtPcBrMfKEoRceO3RXOhYnJXr67ogTf2MgHZVQKjNtBURleTI4EfII0b2ihunSM9mehJBXh7U8=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==])

1KtPcBrMfKEoRceO3RXOhYnJXr67ogTf2MgHZVQKjNtBURleTI4EfII0b2ihunSM9mehJBXh7U8=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==])

* Treasury/OFAC; NOTICES; Blocking or Unblocking of Persons and Properties [Publication

Date: 19 Jul 2018.]

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2. Commerce/BIS: (No new postings.)

(Source: Commerce/BIS

[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9JbfYptfEMVR1oDi9pZQimtW5hqSx171To0DO2XT2NxsVkYUI7YhU2RKuLFGmpO6sG3Y35jZQ_pfxgoe_DuVXMgXY6S28MsX76BSCiPVrNOyjlTtA065oM=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==\]](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9JbfYptfEMVR1oDi9pZQimtW5hqSx171To0DO2XT2NxsVkYUI7YhU2RKuLFGmpO6sG3Y35jZQ_pfxgoe_DuVXMgXY6S28MsX76BSCiPVrNOyjlTtA065oM=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==])

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3. DHS/CBP Releases Notice Concerning Section 232 Product Exclusion ID Test Data

(Source: CSMS #18-000439

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tlz_6ol

ziD4HqcuwELjVEtcAw4moFSjEQ0nt4O_piQ1aFtHQ506xXfeC6FKavz6HkJD26X3K7UzIAInuCF6E4ebGTjMy0CzZukmqeYSbG
MtHpH5-Zzm5oyvMmuBj7lvTVs-1Dj9oESq43WVtVlhgSLOVFyAYoEPJmNpVL9upJdWaYyuMDZCio8pU3yL4blTnKy-
8sSE9DmcW_TJYlvoHihl65dax8DR0cQjPcfun3zypN4I2FvWFdl2qz6Mx_Y66&c=Ss7NTKUXE3YI7NGVskOYAhVkpvgmLAP6g8
L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==],
18 Jul 2018.)

In support of the trade's ability to test Product Exclusions related to Section 232, CBP has created the following test data that may be used in the ACE Certification environment. Please note that the Product Exclusion data will be validated against the Effective Dates, HTS, and COO combinations provided in the attached table.

- Attachment

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tLtFUL
07CjXLueVQ8_AheZlZO_5ToTUfcbZAoPXT0uyBBGLZEotXWw1-
9Kqjk22_oZlIM2Fbt7TLhgbhncBCLFalgOEjDamH3neQhqPwiAuloKZFQZEKlghhNuTJ4ZUs1tS47KINhQCKBYuj_JwkrgUnq4LK
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00k7U8tHt4YzZyqOooJ2D1yZeSzE=&c=Ss7NTKUXE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M
8iJaPYnWj0CVt2harjC47IYlv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==]

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4. DHS/CBP Updates Drawback CATAIR and Error Dictionary

(Source: CSMS# 18-000438

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tDowl
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5f4jSYzDWNEv4y7KaRHEFwvsX4qKinAg2vBZW6q_osCC0ho8kBu2Ry64VqvzphjABZHL8WntQplREPeVmlGI-
toCCqNgw8LhPJX-E4lcTxFOUeDgHZ990HC_7-YWnrTN0bkrzOhDqYkjdY0GbGHmcTV2ruBQIVGNLTn7kl2TkG1Me42_3-
OLOoxC_W9JU6WjqifTIuUSz-

8_&c=Ss7NTKUXE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv_FAs
_91UAQOcNzu-2zzC6o7vvn7Q==],
18 Jul 2018.)

An updated Drawback CATAIR is now posted with a corrected Table of Changes.

The updated Drawback CATAIR can be found here

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB_KJoqa8LUDJBsiOx

-
uxYSLZO55Hk0Ej33fp2UGJct1w5ryDpEZdYP9s6yPmXxAIZDyubaPjwUlibUz5m3L26SCX0v2Lskb7VPdLbfix8vECV1tI0_6pXLS
PIGySkxnitOM3uBwTsfU8scGBY4gNOTbDviZsOFCE2mATAqoBAU4kDay5jOtZVik=&c=Ss7NTKUXE3YI7NGVskOYAhVkpvgmL
AP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==].

Additionally, an updated Drawback Error dictionary was posted and that can be found here

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9gnDRFC9q7eB_ZK
msy1FHIqoXPWY8muVFIEbXiEwS4dXb9A8e0Sd3uFwc8FIIVpmqS02LhfmUnRJLn7pXvCcdJpbnD_eUb3o62cM7jUGCo0uAz
g3cb_wEjduUWR9UO_ITaTNxscmskliZBJvFptGq1GnsNRIOVg1x-ndEUcXDtlpjaOJq7CYmqsnWRJA-
L9WD9QyNzBGdM&c=Ss7NTKUXE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2
harjC47IYlv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==].

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5. State/DDTC: (No new postings.)

(Source: State/DDTC

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB5PZefdtrRsh8t8gX8
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Lv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==])

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6. EU Amends North Korea Sanctions, Imposes Provisional Safeguard Measures Concerning Certain Steel Imports

(Source: Official Journal of the European Union

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tN_vF
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LHo3jvH88XjEFWmLQLDMJGh&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaP
YnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==],
17 Jul 2018.)

Regulations

* Council Implementing Regulation (EU) 2018/1009

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tJbe4K
W5B3zVS9awYuY8-re0OIUhd_7pfGNC0T-D3IV64z9T6088j6yOmzmB4JV_hQ8FOQVdee3DSwXhnZ4mZHJLS-
OmxSLgYFYbaMBT5VvTfOSYDv-
1aiYsFQEGZ5JleAok62TIFVty5Yz2kOeGcHTsWo1Yd2tmuspknKMizl3OXHNphMuCL6Uf9776eKHYSvzdaPswLUyrZybpTfFh6
czn2lZwDztYGkoFKJiGc-Abk7fNHMrMn-
cYppB7XVAT&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC4
7IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==]

of 17 July 2018 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic
People's Republic of Korea

* Commission Implementing Regulation (EU) 2018/1013

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04ttsft--
rn6wJlRRh-
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47k8XP1vldV6FcPWLYm9-
_gBrQsJqE5bjLktIO5a2yiRIJvEfKLQMoxY5c64vPoVL7CkshhK5xUa89ZEAsetgHuQi01asKy7Z0OsCHRYsSnhpYdiqjy6SAr56pk
OkV7YnPLlvGZUjecYrx&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0C
Vt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==]

of 17 July 2018 imposing provisional safeguard measures with regard to imports of certain steel products Decisions

* Council Implementing Decision (CFSP) 2018/1016

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tSBTTB
FKKCbNUgazxwrhM_pwtka53dZsc_iuQviH8LzhpRAqzuM_vKusRGknqPfePToMLpyQmUH66TncO_It980UDicEQm2di454u
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gvrNiQw1xcMcA3jLn929_FS2g98f5m0OHw8Zv9SNgxmlaL5vZGii0UPOLG1d11EsW-
&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_9
1UAQOcNzu-2zzC6o7vvn7Q==]

of 17 July 2018 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's
Republic of Korea back to top

NEWS

7. Big Think: "You Can Legally Download 3D-Printed Gun Designs Starting August 1st"

(Source: Big Think

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04t-OvSV1v7nlaR7b9OcKaQCEcncgFks77GYf5VBiCscxCNVQZ10fB1e1AMIRUd3ArdMMcKnw_3-AJ-JCOCDYdH30bodJQa_EciEuLwWCiGgOKVy-TwUY6Q0Z8P5E1j1J110-oqkTn1RDnq-UYbEPiXhsoiLwhyhXM_8EVfj7-evYXtfQDPY0x81xiHiAn7BwGuyV2YmGzPv94tH9D-Kc-hMIEvC5fgfz-h8cg6G1o5IE=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==],
18 Jul 2018.) [Excerpts.]

The State Department has reached a settlement with Defense Distributed, which publishes downloadable schematics for 3D-printed guns, in a landmark decision that will enable the controversial organization to publish CAD files of firearms on its DEFCAD

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9SMaVI9TzDdoyD6m9onZQ_TJFc7AwNGYIzEv17ySel88d_rAbZHxo1Sa4_Fe-HWvTeWRFWlzcZfjVSJc7Q4J2DpoBH3yQaJUE5tUTUMvFbZ-4V1IF7Yrwc=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==]website.

Starting August 1, 2018, anyone in the world with a 3D printer, some raw materials and an open internet connection will be able to produce their own gun, including classic firearms like the AR-10 and Beretta M9, as well as the Liberator, the world's first 3D-printed gun.

The Ghost Gunner, Defense Distributed's PC-connected milling machine manufactured that can carve holes in unfinished gun parts, will also become legal on August 1.

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## 8. Global Trade News: "EU and Japan Sign Historic Free Trade Deal"

(Source: Integration Point Blog

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04t0ppteXhKd1uKEtGkU2eiY24neC4hMALoIYdKDKgZsAzBHfXT5DzrMcZogSQ1\_X2kAx3qgobduk8WD2ZfA7le8Vu3haP0kbjwfholyYmn8uBOOVcjxHoOW\_CXEv7JxVrfviuOm\_yWs1\_hmoKotPrUIFnC\_1jf9fVJ3a5RRK\_VRZkEf2C8o\_r32rujbvMXFEShpie9yEbsMAoaiFJPXjUVXw==&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==],  
17 Jul 2018.) [Excerpts.]

Today the European Union and Japan signed an ambitious Economic Partnership Agreement (EPA) that constitutes "a strong message against protectionism." The trade agreement is the largest ever negotiated by the EU and encompasses a market of more than 600 million people. ...

The deal eliminates 99% of the tariffs on Japanese goods sold to the EU. Similarly, about 94% of the tariffs on European exports to Japan will be lifted, rising to 99% in the future. All in all, these tariffs are estimated to cost businesses in the EU and Japan nearly \$1.17 billion annually.

The next step is for both parliaments to ratify the agreement. The EU and Japan hope to ratify the agreement and bring it into force by March 2019, which is when the United Kingdom makes it exit from the EU.

To learn more about the EU-Japan Economic Partnership Agreement, visit European Commission

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04t23HaF4wQ-9nf9-VDF8R2r6DtnMmuDjrZzdkKLLII9YPyZs-FOVc2xoGr9by8x7ZeATqI53a3PipAoa70sCGRduxtsdPSS-hVwXGIDijwEw-aNadotGyDhFKFUoI31g71qzVrKDgsgcZuRG\_TbloCRPNARD71Mo2Z&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==],  
USA Today

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04trsZfZ4zONwjU4-6-69sekFUJHj4w-wlGIndz30Q7WmaIBI2yYeBsZMTWMqFUjGUs4hGJBY4Cv1nOfInVy3EHQD598s7hRZ-6VsA9OgplA0A98FehNnewz3srw6hgVSVIIJNh\_Kdt29mMG7u7GbEp3cua\_mvwegYb0JI\_IXNOFEM9GMxpAXDTePMzyNzt7KjUqWqvK4GhpN\_I04WcPWOPqWft-



rmj9c&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==],

and Nikkei Asian Review

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tf8\_0H9NysJwrMk78xub2OydOHcRtGYz\_M4GH4uMtw9G-k1v5ha3TJKIBTBOVyUCRS--AQWBQ66y6-m7Emg2y\_ZUmH03xdH-PAJwCTKm8KCeN9ejwrxqZ6HfVhf\_wpFcKeHIO1PBU9b6LML1ujmsX2pFgfaEwiSD9zQ5aD28li4oxSaMjHS\_3IRvbolcUDUe16i0pd6KC2XVwhUZmbA8CA==&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

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## 9. The Independent: "Government Should Look to Block Arms Sales to Countries Accused of Rights Abuses, Influential Group Of MPs Says"

(Source: The Independent

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tDLMaI1XsSy5YqrnU-

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18 Jul 2018.) [Excerpts.]

The [UK] government should tighten restrictions on the sale of UK arms to countries accused of human rights abuses, an influential committee of MPs has said.

The Committee on Arms Export Controls (CAEC) said ministers' default position should be to block the sale of weapons to countries that have not signed an international arms trade treaty and those on a Foreign Office human rights blacklist. It also called on the government to start monitoring where UK arms are being deployed, in order to ensure British weapons are not being used in attacks on civilians or other human rights abuses.

Critics say the failure to monitor the end destination of British-made weapons allows manufacturers to deny culpability for how their products are used.

The committee also warned that ministers have not clarified how Brexit will affect the regulation of arms sales. ...

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## 10. Reuters: "Exclusive: Philippines Could Breach U.S. Sanctions If Russia Arms Deal Proceeds"

(Source: Reuters

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tjG9fSGV1vmolJjqUAVj-jmirHok0NTDdc0KFp1rRW0S4GQ1Ry7GgQ4nK15kcuta5FkOCiVmE-qkclFRPY7vZkiWg2c-

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18 Jul 2018.) [Excerpts.]

The Philippines is at risk of breaching sanctions imposed by the United States if it proceeds with the purchase of grenade launchers from a blacklisted Russian firm, a deal that could test its longtime security alliance with Washington.

A senior Philippine general familiar with the deal said Manila had agreed in October last year to a 400 million peso (\$7.48 million) purchase of 750 RPG-7B rocket propelled grenade launchers from Russia's state-owned

Rosoboronexport, but the transfer had yet to be completed.

U.S. sanctions were imposed last year against any country trading with Russia's defense and intelligence sectors. ...



Russia has donated assault rifles and trucks to the Philippines but the grenade launchers would be Manila's first purchase of Russian weapons. The Philippines has long relied on the United States as its main source of military hardware and support.

If it goes ahead, the deal could add strain to a nearly 70-year-old security alliance that Washington has described as "ironclad", despite Philippine President Rodrigo Duterte's disdain for the relationship with the former colonial power. ... A U.S. State Department official said foreign governments and private sector entities had been put on notice that "significant transactions with any of the 39 listed entities will result in sanctions". Rosoboronexport was blacklisted in April.

American allies who buy weapons and equipment from Russia, the world's second-largest arms exporter, would also be penalized and could see the transfer of those arms disrupted.

The State Department official declined to say what specific sanctions the U.S. could impose on the Philippines if it goes ahead with the deal with Rosoboronexport, while a spokesman for the Treasury Department said it "does not telegraph sanctions or comment on prospective actions." ...

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#### 11. ST&R Trade Report: "Canada Accepting Requests to Avoid Retaliatory Duties on U.S. Goods"

(Source: Sandler, Travis & Rosenberg Trade Report

[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tNCaKf5FehbvrqWLKkAeY-Eipt0luKNTzMONSy7efLK64w4H7869dbDOkotG2XDypkuY0UorxxHVWjEnrxlbYlp75K2IAFKm-JMD1vNkd-713DnWBa-Z2HAubBZF3WSLKJnATgaKUXph8wvYB\\_oky\\_Jz9LWcAv4sbu9o--jO7GySF1QPQZm9-r0j2ND1QsJVo&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW\\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47YlV\\_FAs\\_91UAQOcNzu-2zzC6o7vvn7Q==](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB58q5PJGa04tNCaKf5FehbvrqWLKkAeY-Eipt0luKNTzMONSy7efLK64w4H7869dbDOkotG2XDypkuY0UorxxHVWjEnrxlbYlp75K2IAFKm-JMD1vNkd-713DnWBa-Z2HAubBZF3WSLKJnATgaKUXph8wvYB_oky_Jz9LWcAv4sbu9o--jO7GySF1QPQZm9-r0j2ND1QsJVo&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47YlV_FAs_91UAQOcNzu-2zzC6o7vvn7Q==)],  
18 Jul 2018.)

The Canadian government is accepting requests for remission of the tariffs imposed on U.S. goods as of July 1 in retaliation for the Trump administration's duty hike on steel and aluminum products.

Canada's tariffs include an additional 25 percent duty on steel products classified under various subheadings in Chapter 72 and an additional 10 percent duty on aluminum products as well as other goods such as food products, mattresses, lawn mowers, dishwashers, boats, and various consumer goods. These measures are being imposed in retaliation for, and will remain in place until the elimination of, the higher duties the U.S. imposed June 1 on steel and aluminum products from Canada citing national security concerns.

The Canadian government states that it will consider requests for remission of the additional tariffs (i.e., relief from payment or refund of payments made) only in the following circumstances: (1) to address situations of short supply in the domestic market, either on a national or regional basis; (2) where there are contractual requirements, existing prior to May 31, 2018, for Canadian businesses to use U.S.

steel or aluminum in their products or projects; and (3) to address, on a case-by-case basis, other exceptional circumstances that could have severe adverse impacts on the Canadian economy.

Requests must include a substantial amount of information concerning the requesting company, subject goods, import volumes and values, and tariff effects. Requests will go through a detailed review process and the government has set no deadlines for making decisions. Only companies registered in Canada may submit remission requests.

Aside from requesting remissions, companies can use other methods to lower or avoid the Canadian retaliatory tariffs on their products, parts, or SKUs, including reclassification or tariff engineering.

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EX/IM TRAINING EVENTS & CONFERENCES

## 12. Full Circle Compliance Presents "Awareness Course U.S. Export Controls: ITAR & EAR from a Non-U.S. Perspective ", 2 Oct in Bruchem, the Netherlands

(Source: Full Circle Compliance, [events@fullcirclecompliance.eu](mailto:events@fullcirclecompliance.eu) [mailto:events@fullcirclecompliance.eu].)

Our next academy course is specifically designed for beginning compliance officers and professionals who want to enhance their knowledge on the latest ITAR/EAR requirements and best practices. The course will cover multiple topics regarding U.S. export controls that apply to organisations outside the U.S., such as: the regulatory framework, including the latest and anticipated regulatory amendments, key concepts and definitions, classification and licensing requirements, handling (potential) non-compliance issues, and practice tips to ensure compliance with the ITAR and EAR.

\* What: Awareness Course U.S. Export Controls: ITAR & EAR from a Non-U.S. Perspective

\* When: Tuesday, 2 Oct 2018, 9 AM - 5 PM (CEST)

\* Where: Landgoed Groenhoven, Bruchem, the Netherlands

\* Sponsor: Full Circle Compliance

[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\\_SOCd4urfcTHRpr8oTDwrlPiHzYg0ujD8RKYClfKqMczPWhARc5H5zvJQdglTbUF2vDR7NAS6RrHfHI63zXiRz9CbYCC3J3\\_D3jTjFZMLt4p4-FYtmFWMzVKT9CGkg==&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW\\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\\_FAs\\_91UAQOcNzu-2zzC6o7vvn7Q==](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB_SOCd4urfcTHRpr8oTDwrlPiHzYg0ujD8RKYClfKqMczPWhARc5H5zvJQdglTbUF2vDR7NAS6RrHfHI63zXiRz9CbYCC3J3_D3jTjFZMLt4p4-FYtmFWMzVKT9CGkg==&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==)]

(FCC)

\* Instructors: Ghislaine Gillissen, Mike Farrell, and Alexander P. Bosch

\* Information & Registration: HERE

[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB8kwJrBAQdTXfrAxb-yXadeukFPwr4Yz8DONG1-Fo9kOJgybYmTKFJ\\_QD9pPvYcLoxWV50f4NheZBp7-Ciii5eH4i8aGa6pZoJv8lMcQ5QPPhkFoMGuERY02WVtyQWz1HZEhyTYNX\\_mVq4MC3hR0x5JPKtMPiThYyHA2affMMioOXHcWGEg1NsrJS65gg2iX1ZxPbS8DjgwRFGCAoYHoRif0j4R7nvsxX2E3PCvxRfPJdQ-wRoqPxnhstsmzqLZ6Gauv1ZDHmJCKyytwiYjmmfVfU8NlKr3AzjA==&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW\\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\\_FAs\\_91UAQOcNzu-2zzC6o7vvn7Q==](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB8kwJrBAQdTXfrAxb-yXadeukFPwr4Yz8DONG1-Fo9kOJgybYmTKFJ_QD9pPvYcLoxWV50f4NheZBp7-Ciii5eH4i8aGa6pZoJv8lMcQ5QPPhkFoMGuERY02WVtyQWz1HZEhyTYNX_mVq4MC3hR0x5JPKtMPiThYyHA2affMMioOXHcWGEg1NsrJS65gg2iX1ZxPbS8DjgwRFGCAoYHoRif0j4R7nvsxX2E3PCvxRfPJdQ-wRoqPxnhstsmzqLZ6Gauv1ZDHmJCKyytwiYjmmfVfU8NlKr3AzjA==&c=Ss7NTKUxE3YI7NGVskOYAhVkpqvmLAP6g8L5zPsUhW_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv_FAs_91UAQOcNzu-2zzC6o7vvn7Q==)]

or via [events@fullcirclecompliance.eu](mailto:events@fullcirclecompliance.eu) [mailto:events@fullcirclecompliance.eu]

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## EDITOR'S NOTES

### 13. Bartlett's Unfamiliar Quotations

(Source: Editor)

\* William Makepeace Thackeray (18 Jul 1811 - 24 Dec 1863; was a British novelist and author. He is known for his satirical works, particularly *Vanity Fair*, a panoramic portrait of English society.)

- "A good laugh is sunshine in the house."

- "The two most engaging powers of an author are to make new things familiar, familiar things new."

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### 14. Are Your Copies of Regulations Up to Date?

(Source: Editor)

The official versions of the following regulations are published annually in the U.S. Code of Federal Regulations (C.F.R.), but are updated as amended in the Federal Register. The latest amendments to applicable regulations are listed below.

\* ATF ARMS IMPORT REGULATIONS

[[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBx6lmXQvx-ekLSsCEr7rrrxEtynjIloM1KdyjqVX\\_UCUdufSBUnj18I8naJexGUwNaVQQntNi446wgAyl4u0UED-](http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBx6lmXQvx-ekLSsCEr7rrrxEtynjIloM1KdyjqVX_UCUdufSBUnj18I8naJexGUwNaVQQntNi446wgAyl4u0UED-)

ujL8kM379UZaiF4ZKXI\_ctmA4RpRg-

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27 CFR Part 447-Importation of Arms, Ammunition, and Implements of War

- Last Amendment: 15 Jan 2016: 81 FR 2657-2723

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB5WmNndCk1h5u9  
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Machineguns, Destructive Devices and Certain Other Firearms; Background Checks for Responsible Persons of a Trust or  
Legal Entity With Respect To Making or Transferring a Firearm.

\* CUSTOMS REGULATIONS

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBx6ImXQvx-  
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t2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

19 CFR, Ch. 1, Pts. 0-199

- Last Amendment: 12 Jun 2018: 83 FR 27380-27407

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB1wHNf2wJaVtK8Id  
cflTyDtQNOa5qYVoQ-

dKov8AGdjl2fIOlsinL9dBG24\_hOiJvclN1tWMqNLtnP4bk3tJkVZdic5XsEMMNxkakkiZ3GErNHgAatcp-

G7dF16krsG55sNI6XaSF\_zDEXSnbJtiucVKnm\_sZ86riurM-

OL7XfnvECdQrscdVg=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0C  
Vt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

Air Cargo Advance Screening (ACAS)

\* DOD NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL (NISPOM)

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9ETQk8oLD4RS\_8d  
n8pqZaPK29NN3epVRcfZLhtesZxgsIKRDkJC5aJoTvC5g8QIOmjf6nncP8CxbKFysnWu-bZMn0KBRLqnop8x44-

oSprM3WNMB0bcWFLD6SG7sdzfh9Brc-IDFNpfWHFu7c-

EaqZOYQn3jR8fNQ==&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CV  
t2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

DoD 5220.22-M

- Last Amendment: 18 May 2016: Change 2

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9ETQk8oLD4RS\_8d  
n8pqZaPK29NN3epVRcfZLhtesZxgsIKRDkJC5aJoTvC5g8QIOmjf6nncP8CxbKFysnWu-bZMn0KBRLqnop8x44-

oSprM3WNMB0bcWFLD6SG7sdzfh9Brc-IDFNpfWHFu7c-

EaqZOYQn3jR8fNQ==&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CV  
t2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

Implement an insider threat program; reporting requirements for Cleared Defense Contractors; alignment with Federal  
standards for classified information systems; incorporated and cancelled Supp. 1 to the NISPOM (Summary here

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBygvnIH5rDGk\_efWi  
KLIGIMWsOKUfJv2mFKHISxYvXAagSNJi-XqoDx-

79ana4zKSxb\_4GkOueSmqbdzZRJuAvOBcnVnSNWza1GnH1\_\_1VpMvvEEVV7COUO0b3ogqBpTKaOIhx0BdasuVAHqbl3i  
QZ2ucjPaUitQ5FI-

APqH1SU&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IY  
Lv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].)

\* EXPORT ADMINISTRATION REGULATIONS (EAR)

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtIvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBygvnIH5rDGkDhxD

MxQxe4QxWI5PGVvvn1wz94kKpqP129yOO4dGmwtc50w3jcNGzA7KwD-TjjH33M54KZqTTqviG9assY8SC5Q6vJK-ObL-wSwTm\_4lPwEjWWXeLtDajkbj2stBtgNw2eoc1BCTCGW6VKtIFR5EH72Pi4sj4LWhkWP3QrCkRiawIVJs8AgPKWGN2ZyarsPS CbaGSYa7pVWfMNvvgkzaKelgFhS1La0-pbKDcMpf1KaO1X-r6CIQrtTBVui-q5dG2\_wK6Hc125s=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

15 CFR Subtit. B, Ch. VII, Pts. 730-774

- Last Amendment: 6 June 2018: 83 FR 26204-26205

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB0kmTSb7k5lqX\_H-G7a11xlvG-bicSx1qwQ7W0N5FL1IR2r\_TRkrhwY0TZhZPF0oGMA0ohN5KigCCFHB02rw\_iHUwlkhVQ7yul-jMRRCDHsXrLHKHircdCzcHMaYelMbD\_liEdSL\_g5SY3FR3Rw2DkLHUMEFIdJRNNmwAZ17Xn3235geOawE3Y=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

Unverified List (UVL); Correction

\* FOREIGN ASSETS CONTROL REGULATIONS (OFAC FACR)

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBx6lmXQvx-ekxZWwPYInNgtM4\_xTwuKzZe0SsWG9\_BCaxc\_5SludQH2hZ6ePFZ6CtMv1ywl7DTKuMKlwGaS\_O\_z1gEaB4AA65ZLEskHhPbAUatStNfU32VJhCr7Y6PyHvMhJQ2jT8ruQuxyoNnlOrtKF9vwwSO-RaZN60Br2D4Gahe5Vw5bU6g-mZP6GLxGg3Sm4cNdLMmUSCeLIXMTBIDjgp82W4K-

3aYsZXQFOQIKKQ1lPeD798I4ENLcb4Pthn88WaeDRins&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

31 CFR, Parts 500-599, Embargoes, Sanctions, Executive Orders

- Last Amendment: 29 June 2018: 83 FR 30541-30548

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\_UZTUUqXvuPquKJsQzx3VhMaDuv4RuJl\_IQisDjsxK6VjDbVqNF1mHVMwr3k5vqGdoloFvvcfDO7DM\_3zlSrLrf6iQ1TnnKlblyajzijaW9RaiYA6gU\_ZuRWXwGUn8aw7zOvxTr9zbD9ABk8\_7SqWVdujedVTbE3YrJdZMO5D62wNJ8sBUvIU=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

Global Magnitsky Sanctions Regulations; and 83 FR 30539-30541

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\_UZTUUqXvuPDIrg-t0cgr7AMwNlJi3yx-X6uPHsAsXFYk-qHrWCBTrGncOL82IYphaupwc-Wagpff-

J6p6tLgbDizQkhuVPckNI64lmHPS09mZNnVvlJtGPu1HTESi2A6LTsg0cUfkHj7diVGVFQfduhTNMK1ieSft2--

9KAKcw4sj2t2loqrl=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

Removal of the Sudanese Sanctions Regulations and Amendment of the Terrorism List Government Sanctions Regulations

\* FOREIGN TRADE REGULATIONS (FTR)

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBx6lmXQvx-ekg\_Z1VPV-

HEyWT\_EpwseqF3hxzbdp6HyrhZCPCKPRHd7IkOBEXapNbxRsIMhhHudUrUWFjXNGokOAYUAJegArMi\_RspGWp5Pq\_ccDBmmZzqS2ebqXjO6QcM23v8r6Kn9qtfNkr7pPQXkBkCYv6mBNxlWX94srYVrsKT9xie4qLH11OQWPf6TzMeip1odsSdcuQB4IYRjF56wBQNSbslss8DqGqpToPIIZQlkrTjk1toCftRYIO4W6CWbnSRTIzmXzjc6v2uVjE2o=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

15 CFR Part 30

- Last Amendment: 24 Apr 2018: 3 FR 17749-17751

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB2GukxHcLzc4ZYfySuh-BWWQ7sRXx-nUb-PpVfDTEc6MZ\_5bsQMrwrgctwPyLsg2d75v1U00hn3euTPEouKcFKkufXIAeHf8zFarD\_BPrlz4-\_b9mTOgbjh42qFWbsMO7gaafOlA680JuEau1qnYsIRuK9rudMf3M8Lti-51gHvemleGp4XMyY=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYlv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:

Foreign Trade Regulations (FTR): Clarification on the Collection and Confidentiality of Kimberley Process Certificates

- HTS codes that are not valid for AES are available here

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqByGuEXlvc-EBGBbAtSYmiEHRa4TCNaCtTIKWZsf0rjqWsnNx3B0cfT1dul9ZJ5bl39gD0BxHKcSyNI3pRaoVyAE\_N1wwEJaiAgwI4aasR-



iTdxJh5IDVguVArr5nTbF2ozxUyfc5aevCvjA9DadMlpD\_FTxheVtatpYJtJix7x0dON\_vKgWh1rKG4WnzQdFIXC7klmGUxApm&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

- The latest edition (30 Apr 2018) of Bartlett's Annotated FTR ("BAFTR"), by James E. Bartlett III, is available for downloading in Word format. The BAFTR contains all FTR amendments, FTR Letters and Notices, a large Index, and approximately 250 footnotes containing case annotations, practice tips, Census/AES guidance, and explanations of the numerous errors contained in the official text. Subscribers receive revised copies in Microsoft Word every time the FTR is amended. The BAFTR is available by annual subscription from the Full Circle Compliance website [http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\_kbl66m1pDFypYHSeXCQtskO8FeKJY9fEHicpSNcTYceB0xg-4rWI4Df5Z4VDUI6YbniDte0DgMvBMRvUgsFmbNY0t7WdMUUp-XjSIA4OSf0g-ilg3eoyXPYNNovNcvSbpmjvus4cxSp\_&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

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[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9FPw7zcYKT8TVhEHfhwoQnkgTlxGm300RbhaVygSiXvMgsl2I8EWy1z\_ZkcOUmNg7kTS2iWq\_XMggvbli26ebc2uXpuf6cD1P6F50uuF-YDQqjxSIAxtbiismv5QFTwnA==&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

\* HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTS, HTSA or HTSUSA)

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\_fLS8ixT0tz5f-HYf6nj3eb\_sbNM1mJktaFjeDbn-ST\_-z6LZR33IfNg7qFH5prmwyzTrnZxKLotm3Q7ohNhpEg2440FHZxiCCE9-0LYXmQb5rRQX43-W7w6-

EbRCxHw==&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==],

1 Jan 2018: 19 USC 1202 Annex. ("HTS" and "HTSA" are often seen as abbreviations for the Harmonized Tariff Schedule of the United States Annotated, shortened versions of "HTSUSA".)

- Last Amendment: 8 Jun 2018: Harmonized System Update 1809

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB-Bgz633HzoB9PFdAR7mhQ6TGNus4pEsHZMkOsJUHHfMRDagUQ4ZGi28n5NrhtpQcw4CdLEBbTQADJZMgp9rLNAh-BMt0-yA9noMhkkuoxziqCkkmPkebxBIYPFij1XKyOVquQJ-BVbuMg9apjhmRMWtmPCY3ChtUVf8m5pCTMoGbme6wr3sXkSllstwyUN93QA-7oqmo8PeqNHhZZnkz3RF40eAOIRLRszLSrkCgY1I8ScYAEslw3rMqCb\_smXGqW1PMOcnxRH&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==],

containing 901 ABI records and 192 harmonized tariff records.

- HTS codes for AES are available here

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB0MfXA7ynmYVr9qFz3hdJ-fRjOiD0oFoCwKR3FvgOFdFgToysvL2VMtMOPWtFbQLgwex0t6NpFN4t5MI-HG1YFu5jKB0NxYJTvOC4UHNlve0qjxgRxVwdPrI1jMc6znfогwj6qDyGE2ApFhszvl1TkmDHQuaudWuwo0YQIrfRUEMwi16rXPNmiBf3d78y1xxBs8fCeGM2\_6z&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

- HTS codes that are not valid for AES are available here

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqByGuEXlvc-EBGBbAtSYmiEHRa4TCNaCtTIKWZsf0rjqWsnNx3B0cft1duL9ZJ5bl39gD0BxHKcSyNI3pRaoVyAE\_N1wwEJaiAgwI4aasR-iTdxJh5IDVguVArr5nTbF2ozxUyfc5aevCvjA9DadMlpD\_FTxheVtatpYJtJix7x0dON\_vKgWh1rKG4WnzQdFIXC7klmGUxApm&c=Ss7NTKUxE3YI7NGVskOYAhVkpgvmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

\* INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqBx6lmXQvx-ekEfDqww187ecRBM7jkAw0Mv1Blx\_S\_VKW0V9A3HqZqt1WZTBDhYxLAlqP-qTi59HNEsZhz78\_mKmRHBjuR0YW3GdsVg3nCxb51JCZUtPKCGyYT0hGyLlo1nmEiDqhILLVs1--

qJE74v\_1X3k8KaZPGNyl6CnPctTAh6JyZA2LpGWFDXZqbHzjKSqtn2VaEjnYwWIBourOfRGq-  
bpfDOMvFRNtKZJYlHqFDsmVXtfrjU2vWswu\_n4ao7RIKYCviL&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_  
W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:  
22 C.F.R. Ch. I, Subch. M, Pts. 120-130.  
- Last Amendment: 14 Feb 2018: 83 FR 6457-6458  
[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB60uArP\_dTxQLyqJT  
VrN3XNs0Uo0h-  
EFLzmcNR1x9iDCfFuKmHOVLpO6XJIXqlp\_ReyFRXlkMjvM0DATzchD0RL27jDZmXApffpRvdTw8MdFfCqh\_tfwlG9LKvjK7sN  
UilUXdViINTED24bfkky0zTpV7MUfaw3\_J9mHwYssXr17vm9iYC6FCX8=&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5z  
PsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==]:  
Amendment to the International Traffic in Arms Regulations: Addition of South Sudan [Amends ITAR Part 126.]  
- The only available fully updated copy (latest edition: 25 Apr 2018) of the ITAR with all amendments is contained in  
Bartlett's Annotated ITAR ("BITAR"), by James E. Bartlett III. The BITAR contains all ITAR amendments to date, plus a  
large Index, over 800 footnotes containing amendment histories, case annotations, practice tips, DDTC guidance, and  
explanations of errors in the official ITAR text.  
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[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB\_SOCd4urfcTHRpr8  
oTDwrlPiHzYg0ujjD8RKYClfKqMczPWhARc5H5zvJQdglTbUF2vDR7NAS6RrHfHI63zXiRz9CbYCC3J3\_D3jTjFZMLt4p4-  
FYtmFWMzVKT9CGkg==&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJaPYnWj  
0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].  
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## 15. Weekly Highlights of the Daily Bugle Top Stories

(Source: Editor)

Review last week's top Ex/Im stories in "Weekly Highlights of the Daily Bugle Top Stories" published here  
[http://r20.rs6.net/tn.jsp?f=001APC9RIUot3NTQtlvE2TWpU943jTCaCd3u7A9LHOMQDEmn9zDQ4VqB9FPw7zcYKT8TVhE  
HfhwoQnkgTlxGm300RbhaVygSiXvMgsl2I8EWy1z\_ZkOUmNg7kTS2iWq\_XMggvbli26ebc2uXpuf6cD1P6F50uuF-  
YDQqjxSIAxtbiismv5QFTwnA==&c=Ss7NTKUxE3YI7NGVskOYAhVkpvgmLAP6g8L5zPsUhW\_W3w1wmTT4EA==&ch=M8iJa  
PYnWj0CVt2harjC47IYLv\_FAs\_91UAQOcNzu-2zzC6o7vvn7Q==].

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**From:** Jost, Aaron W <JostAW@state.gov>  
**Sent:** Friday, March 30, 2018 4:22 PM  
**To:** Mowers, Matthew D; Kaidanow, Tina S  
**Cc:** Miller, Michael F; Steffens, Jessica L; Litzenberger, Earle D (Lee)  
**Subject:** RE: Sig Sauer Trade Issue

[REDACTED]

Regards,  
Aaron

-----Original Message-----

From: Mowers, Matthew D  
Sent: Thursday, March 29, 2018 9:45 AM  
To: Jost, Aaron W <JostAW@state.gov>; Kaidanow, Tina S <KaidanowTS@state.gov>; Mowers, Matthew D <MowersMD@state.gov>  
Cc: Miller, Michael F <MillerMF@state.gov>; Steffens, Jessica L <SteffensJL@state.gov>; Litzenberger, Earle D (Lee) <LitzenbergerED@state.gov>  
Subject: Re: Sig Sauer Trade Issue

[REDACTED]

Sent from my BlackBerry 10 smartphone.

Original Message

From: Jost, Aaron W  
Sent: Wednesday, March 28, 2018 7:34 PM  
To: Kaidanow, Tina S; Mowers, Matthew D  
Cc: Miller, Michael F; Steffens, Jessica L; Litzenberger, Earle D (Lee)  
Subject: Re: Sig Sauer Trade Issue

Matt,


[REDACTED]

Thanks,  
Aaron

Acting Director  
PM/RSAT

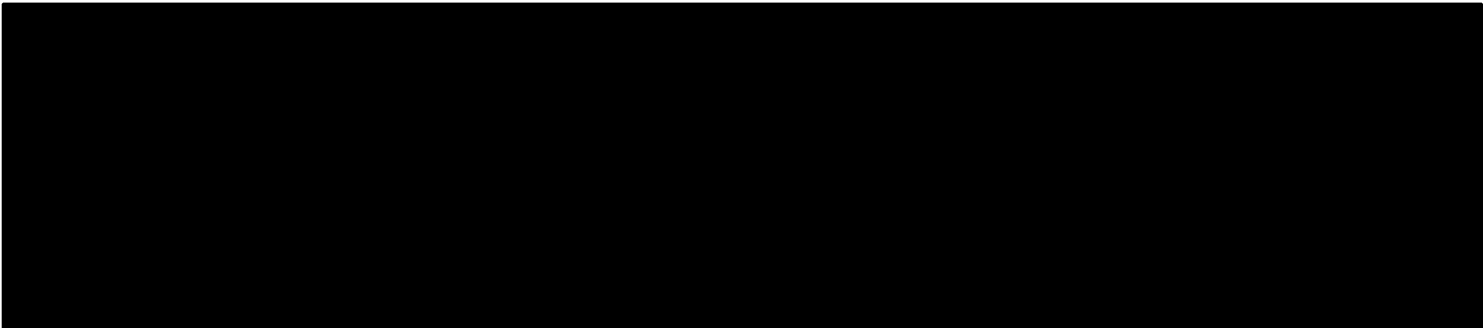
Original Message

From: Kaidanow, Tina S  
Sent: Thursday, March 22, 2018 3:43 PM  
To: Mowers, Matthew D  
Cc: Miller, Michael F; Steffens, Jessica L; Litzenberger, Earle D (Lee)  
Subject: RE: Sig Sauer Trade Issue



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From: Mowers, Matthew D  
Sent: Thursday, March 22, 2018 2:00 PM  
To: Kaidanow, Tina S <KaidanowTS@state.gov>  
Subject: FW: Sig Sauer Trade Issue



Matt

-----Original Message-----

From: Sununu, Christopher [mailto:Christopher.Sununu@nh.gov]  
Sent: Thursday, March 22, 2018 11:55 AM  
To: Mowers, Matthew D  
Subject: Sig Sauer Trade Issue

Matt,



-Chris Sununu

Simply put, Sig needs the US Government to request to the German government that the Germans drop their "ITAR-free" requirement on their Bundeswehr pistol procurement, given it unfairly treats American offerings, when no similar barriers exist for German companies looking to do business with our armed forces. Given the nature of such a request, Sig has asked Governor Sununu to raise this to the highest levels of the White House, similar/equal to his efforts on Sig's Thailand issue a year ago. We do not see any practical way forward other than Government to Government action to get Germany to drop the unfair ITAR-free restriction. Note that the President did visit Sig Sauer very very early in the campaign (sometime earlier in 2015, I believe) with one or both of his sons. So there is a modest history there. Of course, we're pleased with any other senior folks with whom you think the Governor should engage on this as well.

The company's Washington lobbyists are engaging with the Administration at various levels. But we feel that personal involvement by the Governor is necessary to ensure this is appropriately and quickly elevated. The company is also looking to engage Sen. Shaheen's Office, given her position on the Foreign Relations Committee. But it's unclear how responsive the administration will be to any intervention by her office (through no fault of the Senator or her staff).

To be clear, this isn't about Sig trying to unseat H&K for the US Marine procurement, as that would only tick off the Marines and may not change the outcome. It's about the much more sizable Bundeswehr procurement and contrasting that with the Marine procurement to demonstrate the unbalanced situation faced by a NH company - despite Sig having sister operations in Germany. As an aside, there have been news reports in Germany regarding Russian influence/funding in/of H&K (I can get you an article of two if you'd like).

Thanks again for the willingness to engage. Please let me know what other info I can provide to you to help us.

David Cuzzi, President  
Prospect Hill Strategies

  
www.prospecthillstrategies.com<<http://www.prospecthillstrategies.com>>

>

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**From:** Paul, Joshua M <PaulJM@state.gov>  
**Sent:** Wednesday, July 25, 2018 12:57 PM  
**To:** Marquis, Matthew R; PM-DTCP-RMA; Legal-PM-DL  
**Cc:** PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F  
**Subject:** RE: CPA Media Monitoring: The Sun: WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons

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From: Marquis, Matthew R  
Sent: Wednesday, July 25, 2018 12:56 PM  
To: PM-DTCP-RMA <PM-DTCP-RMA@state.gov>  
Cc: PM-CPA <PM-CPA@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Miller, Michael F <Millermf@state.gov>  
Subject: CPA Media Monitoring: The Sun: WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons

[cid:image001.png@01D29279.128F6050]  
WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons By George Harrison  
25 July 2018

MADE from the same plastic as LEGO bricks, this handgun looks more like a toy than a lethal weapon... but don't be fooled.

"The Liberator", as it's been named, is a fully-functioning gun which can be 3D-printed at home and used to fire real bullets.

Alarminglly, all it takes is an instruction manual download, a 3D printer and a couple of hours.

Then you'll end up with an untraceable firearm dubbed a "ghost gun" which can fire up to ten shots before the plastic barrel breaks down - not that it matters when you can just print a replacement.

Made by 'one of the most dangerous men in the world'

The gun is the brainchild of a Texan anarchist called Cody Wilson, a law-school dropout who has been described by gun control campaigners as one of the most dangerous men in the world.

But to his opponents' dismay, the 30-year-old recently won a landmark legal battle on free-speech grounds for the right to share the blueprints for The Liberator online. So now, anyone can print their own arsenal without leaving the house.

The homemade gun blueprints were briefly made public in 2013, and stayed online for two days before the US government intervened and blocked the files from being shared.

But thanks to Wilson's legal victory, from next week, they'll be allowed to go back online.

There are fears this could spark a wave of DIY guns springing up across Europe.

Homemade guns on Britain's streets

Tyler Koslow, editor at 3D printing magazine All3DP.com, told Sun Online: "The recent court settlement regarding 3D printable gun models will have a sizeable impact on the world, particularly in countries with strict gun control laws.

"Back when the first gun model was made public, three of the top five countries to download the model included Spain, Germany, and the UK. As a result, it will now be up to other countries to prevent 3D printable gun models from getting in the hands of their citizens."

Guns that build themselves

In America, it's fine to build guns for your own personal use, although the difficulties and costs of crafting guns in garages has limited this to a hobby for only the most dedicated gun-nuts.

These guns are made entirely of plastic apart from a metal firing pin and an additional sheet of metal - which Wilson was required by law to add so the weapon would still set off metal detectors.

The printing process works by dripping tiny beads of hot plastic on top of one another, following a pattern laid out by the blueprint diagram.

If you have a 3D printer - priced between £1000-£3000 - and access to the web, you'll be able to download the file, press start and let the gun build itself.

The age of the downloadable gun has begun

At the moment, it's not practical or cost-effective for most Americans to print their own guns at home, owing to the high cost of 3D printers and the relatively low quality of plastic guns.

Instead, most will just buy a conventional handgun for greater power, accuracy and durability.

But in Britain, tough firearms restrictions mean 3D printing offers a viable way to get hold of illegal weapons.

Gill Marshall-Andrews, chair of the Gun Control Network, told Sun Online: "An American is already 120 times more likely to be killed with a gun than a person living in the UK.

"The ability to download 3D plans and print a gun can only make matters worse."

100,000 downloads

The Liberator's blueprints were first posted online by Wilson back in 2013 when the gun was developed.

At the time, the State Department was concerned that citizens in other countries (like the UK) would end up downloading the designs and getting their own guns illegally.

So the US government blocked the files - but they had already been downloaded over 100,000 times and picked up by a slew of pirate websites.

Build your own battle rifle

Normally, Americans would need to pass a background check before they can buy a gun, but freely-available blueprints for 3D-printed weapons could offer a way to bypass this law.

And Wilson doesn't intend to stop at DIY plastic pistols.

The anarchist wants to develop more powerful printable weapons, including battle rifles, and also make them available online.

It's also likely that fellow gun enthusiasts will devise and share their own blueprints for different 3D-printed weapons, safe in the knowledge that doing so doesn't break any laws.

Now the starting gun has fired on the age of downloadable weapons, the DIY handgun may turn out to be just the beginning.

Link: <https://www.thesun.co.uk/news/6850692/ghost-guns-3d-print/>

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Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

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**From:** Cavnar, Anna <CavnarA@state.gov>  
**Sent:** Wednesday, July 11, 2018 10:57 AM  
**To:** Heidema, Sarah J; Rogers, Shana A  
**Cc:** Freeman, Jeremy B  
**Subject:** RE: Cody Wilson's claims on settlement

+ Jeremy

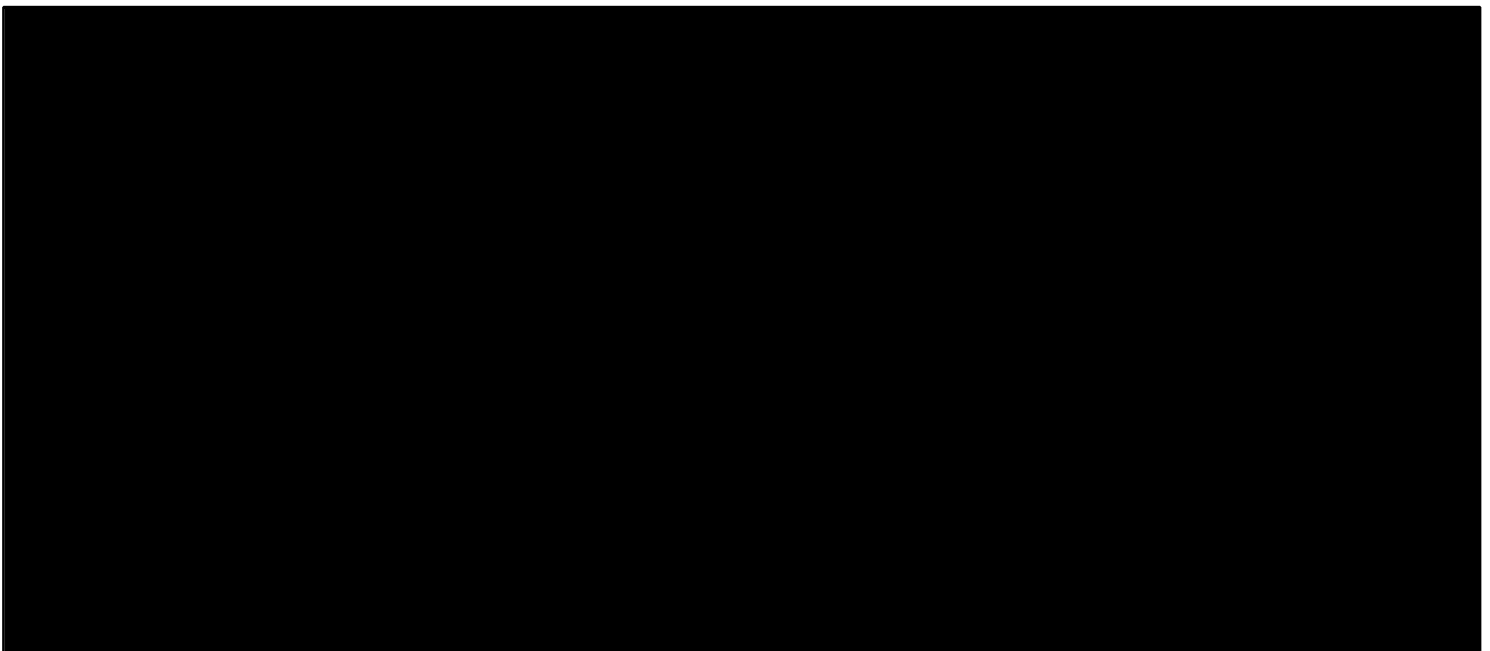
From: Heidema, Sarah J  
Sent: Wednesday, July 11, 2018 10:56 AM  
To: Cavnar, Anna; Rogers, Shana A  
Subject: FW: Cody Wilson's claims on settlement

FYSA

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From: Heidema, Sarah J  
Sent: Wednesday, July 11, 2018 10:20 AM  
To: Paul, Joshua M <PaulJM@state.gov>  
Cc: McKeeby, David I <McKeebyDI@state.gov>; Miller, Michael F <MillerMF@state.gov>; Hart, Robert L <HartRL@state.gov>; Monjay, Robert <MonjayR@state.gov>  
Subject: Cody Wilson's claims on settlement

Josh-



[https://www.wired.com/story/a-landmark-legal-shift-opens-pandoras-box-for-diy-guns/?mbid=social\\_fb](https://www.wired.com/story/a-landmark-legal-shift-opens-pandoras-box-for-diy-guns/?mbid=social_fb)  
A Landmark Legal Shift Opens Pandora's Box for DIY Guns BY Andy Greenberg<<https://www.wired.com/author/andy-greenberg>>

Five years ago, 25-year-old radical libertarian Cody Wilson stood on a remote central Texas gun range and pulled the trigger on the world's first fully 3-D-printed gun<<https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/andygreenberg/2013/05/05/meet-the-liberator-test-firing-the-worlds-first-fully-3d-printed-gun/&refURL=https://www.google.com/&referrer=https://www.google.com/>>. When, to his relief, his plastic invention fired a .380-caliber bullet into a berm of dirt without jamming or exploding in his hands, he drove back to Austin and uploaded the blueprints for the pistol to his website, Defcad.com<<http://Defcad.com>>.1

He'd launched the site months earlier along with an anarchist video manifesto<[https://www.youtube.com/watch?time\\_continue=167&v=rO54gzfite4](https://www.youtube.com/watch?time_continue=167&v=rO54gzfite4)>, declaring that gun control would never be the same in an era when anyone can download and print their own firearm with a few clicks. In the days after that first test-firing, his gun was downloaded more than 100,000 times. Wilson made the decision to go all in on the project, dropping out of law school at the University of Texas, as if to confirm his belief that technology supersedes law<<https://www.wired.com/2014/07/inside-dark-wallet/>>.

Cody Wilson, the founder of Defense Distributed, plans to create the world's largest repository of digital gun files.

Michelle Groskopf

The law caught up. Less than a week later, Wilson received a letter from the US State Department demanding that he take down his printable-gun blueprints or face prosecution for violating federal export controls<<https://www.forbes.com/sites/andygreenberg/2013/05/09/state-department-demands-takedown-of-3d-printable-gun-for-possible-export-control-violation/#251be32e375f>>. Under an obscure set of US regulations known as the International Trade in Arms Regulations (ITAR), Wilson was accused of exporting weapons without a license, just as if he'd shipped his plastic gun to Mexico rather than put a digital version of it on the internet. He took Defcad.com<<http://Defcad.com>> offline, but his lawyer warned him that he still potentially faced millions of dollars in fines and years in prison simply for having made the file available to overseas downloaders for a few days. "I thought my life was over," Wilson says.

Instead, Wilson has spent the last years on an unlikely project for an anarchist: Not simply defying or skirting the law but taking it to court and changing it. In doing so, he has now not only defeated a legal threat to his own highly controversial gunsmithing project. He may have also unlocked a new era of digital DIY gunmaking that further undermines gun control across the United States and the world-another step toward Wilson's imagined future where anyone can make a deadly weapon at home with no government oversight.

Two months ago, the Department of Justice quietly offered Wilson a settlement to end a lawsuit he and a group of co-plaintiffs have pursued since 2015 against the United States government<<https://www.wired.com/2015/05/3-d-printed-gun-lawsuit-starts-war-arms-control-free-speech/>>. Wilson and his team of lawyers focused their legal argument on a free speech claim: They pointed out that by forbidding Wilson from posting his 3-D-printable data, the State Department was not only violating his right to bear arms but his right to freely share information. By blurring the line between a gun and a digital file, Wilson had also successfully blurred the lines between the Second Amendment and the First.

"If code is speech, the constitutional contradictions are evident," Wilson explained to WIRED when he first launched the lawsuit in 2015. "So what if this code is a gun?"

The Department of Justice's surprising settlement, confirmed in court documents earlier this month, essentially surrenders to that argument. It promises to change the export control rules surrounding any firearm below .50 caliber-with a few exceptions like fully automatic weapons and rare gun designs that use caseless ammunition-and move their regulation to the Commerce Department, which won't try to police technical data about the guns posted on the public internet. In the meantime, it gives Wilson a unique license to publish data about those weapons anywhere he chooses.

"I consider it a truly grand thing," Wilson says. "It will be an irrevocable part of political life that guns are downloadable, and we helped to do that."

Now Wilson is making up for lost time. Later this month, he and the nonprofit he founded, Defense Distributed, are relaunching their website Defcad.com<<http://Defcad.com>> as a repository of firearm blueprints they've been privately creating and collecting, from the original one-shot 3-D-printable pistol he fired in 2013 to AR-15 frames and more exotic DIY semi-automatic weapons. The relaunched site will be open to user contributions, too; Wilson hopes it will soon serve as a searchable, user-generated database of practically any firearm imaginable.

[Image removed by sender. [https://media.wired.com/photos/5b3a9366c002fe17d01df633/4:3/w\\_1920,c\\_limit/DD-01w.jpg](https://media.wired.com/photos/5b3a9366c002fe17d01df633/4:3/w_1920,c_limit/DD-01w.jpg)]

All of that will be available to anyone anywhere in the world with an uncensored internet connection, to download, alter, remix, and fabricate into lethal weapons with tools like 3-D printers and computer-controlled milling machines. "We're doing the encyclopedic work of collecting this data and putting it into the commons," Wilson says. "What's about to happen is a Cambrian explosion of the digital content related to firearms." He intends that database, and the inexorable evolution of homemade weapons it helps make possible, to serve as a kind of bulwark against all future gun control, demonstrating its futility by making access to weapons as ubiquitous as the internet.

Of course, that mission seemed more relevant when Wilson first began dreaming it up, before a political party with no will to rein in America's gun death epidemic held control of Congress, the White House, and likely soon the Supreme Court. But Wilson still sees Defcad as an answer to the resurgent gun control movement that has emerged in the wake of the Parkland, Florida, high school shooting that left 17 students dead in February.

The potential for his new site, if it functions as Wilson hopes, would also go well beyond even the average Trump supporter's taste in gun rights. The culture of homemade, unregulated guns it fosters could make firearms available to even those people who practically every American agrees shouldn't possess them: felons, minors, and the mentally ill. The result could be more cases like that of John Zawahiri, an emotionally disturbed 25-year-old who went on a shooting spree in Santa Monica, California, with a homemade AR-15 in 2015<<https://www.wsj.com/articles/the-rise-of-untraceable-ghost-guns-1515061800>>, killing five people, or Kevin Neal, a Northern California man who killed five people with AR-15-style rifles-some of which were homemade-last November<<https://www.nbcnews.com/news/us-news/california-mass-shooter-made-his-own-killing-machines-n821516>>.

"This should alarm everyone," says Po Murray, chairwoman of Newtown Action Alliance, a Connecticut-focused gun control group created in the wake of the mass shooting at Sandy Hook Elementary School in 2013. "We're passing laws in Connecticut and other states to make ensure these weapons of war aren't getting into the hands of dangerous people. They're working in the opposite direction."

When reporters and critics have repeatedly pointed out those potential consequences of Wilson's work over the last five years, he has argued that he's not seeking to arm criminals or the insane or to cause the deaths of innocents. But nor is he moved enough by those possibilities to give up what he hopes could be, in a new era of digital fabrication, the winning move in the battle over access to guns.

With his new legal victory and the Pandora's box of DIY weapons it opens, Wilson says he's finally fulfilling that mission. "All this Parkland stuff, the students, all these dreams of 'common sense gun reforms'? No. The internet will serve guns, the gun is downloadable." Wilson says now. "No amount of petitions or die-ins or anything else can change that."

Defense Distributed operates out of an unadorned building in a north Austin industrial park, behind two black-mirrored doors marked only with the circled letters "DD" scrawled by someone's finger in the dust. In the machine shop inside, amid piles of aluminum shavings, a linebacker-sized, friendly engineer named Jeff Winkleman is walking me through the painstaking process of turning a gun into a collection of numbers.

Winkleman has placed the lower receiver of an AR-15, the component that serves as the core frame of the rifle, on a granite table that's been calibrated to be perfectly flat to one ten-thousandth of an inch. Then he places a Mitutoyo height gauge—a thin metal probe that slides up and down on a tall metal stand and measures vertical distances—next to it, poking one edge of the frame with its probe to get a baseline reading of its position. "This is where we get down to the nitty gritty," Winkleman says. "Or, as we call it, the gnat's ass."

Winkleman then slowly rotates the gauge's rotary handle to move its probe down to the edge of a tiny hole on the side of the gun's frame. After a couple careful taps, the tool's display reads 0.4775 inches. He has just measured a single line—one of the countless dimensions that define the shape of any of the dozens of component of an AR-15—with four decimal places of accuracy. Winkleman's job at Defense Distributed now is to repeat that process again and again, integrating that number, along with every measurement of every nook, cranny, surface, hole, lip, and ridge of a rifle, into a CAD model he's assembling on a computer behind him, and then to repeat that obsessively comprehensive model-building for as many guns as possible.

That a digital fabrication company has opted for this absurdly manual process might seem counterintuitive. But Winkleman insists that the analog measurements, while infinitely slower than modern tools like laser scanners, produce a far more accurate model—a kind of gold master for any future replications or alterations of that weapon. "We're trying to set a precedent here," Winkleman says. "When we say something is true, you absolutely know it's true."

One room over, Wilson shows me the most impressive new toy in the group's digitization toolkit, one that arrived just three days earlier: A room-sized analog artifact known as an optical comparator. The device, which he bought used for \$32,000, resembles a kind of massive cartoon X-ray scanner.

Defense Distributed's optical comparator, a room-sized machine the group is using to convert physical guns to collections of digital measurements.

Michelle Groskopf

Wilson places the body of an AR-9 rifle on a pedestal on the right side of the machine. Two mercury lamps project neon green beams of light onto the frame from either side. A lens behind it bends that light within the machine and then projects it onto a 30-inch screen at up to 100X magnification. From that screen's mercury glow, the operator can map out points to calculate the gun's geometry with microscopic fidelity. Wilson flips through higher magnification lenses, then focuses on a series of tiny ridges of the frame until the remnants of their machining look like the brush strokes of Chinese calligraphy. "Zoom in, zoom in, enhance" Wilson jokes.

Wilson's first controversial innovation was to demonstrate how digital files could be converted to physical, deadly weapons.

Michelle Groskopf

He now sees an opportunity to cripple gun control with the opposite tactic: digitizing as many weapons as possible and making the files available to gunsmiths.

Michelle Groskopf

Turning physical guns into digital files, instead of vice-versa, is a new trick for Defense Distributed. While Wilson's organization first gained notoriety for its invention of the first 3-D printable gun, what it called the Liberator, it has since largely moved past 3-D printing. Most of the company's operations are now focused on its core business: making and selling a consumer-grade computer-controlled milling machine known as the Ghost Gunner<<https://www.wired.com/2015/06/i-made-an-untraceable-ar-15-ghost-gun/>>, designed to allow its owner to carve gun parts out of far more durable aluminum. In the largest room of Defense Distributed's headquarters, half a dozen millennial staffers with beards and close-cropped hair—all resembling Cody Wilson, in other words—are busy

building those mills in an assembly line, each machine capable of skirting all federal gun control to churn out untraceable metal glocks and semiautomatic rifles en masse.

The staff of Defense Distributed: part startup, part advocacy group, part armed insurgency.

Michelle Groskopf

For now, those mills produce only a few different gun frames for firearms, including the AR-15 and 1911 handguns<<https://www.wired.com/story/ghost-gun-machine-makes-untraceable-handguns/>>. But Defense Distributed's engineers imagine a future where their milling machine and other digital fabrication tools-such as consumer-grade aluminum-sintering 3-D printers that can print objects in metal-can make practically any digital gun component materialize in someone's garage.

Most of Defense Distributed's staff work on the group's central source of revenue: building gun-making computer controlled milling machines called the Ghost Gunner

Michelle Groskopf

A Ghost Gunner can finish an AR-15 lower receiver, the central part of the rifle's frame, in a few hours. Defense Distributed has sold close to 6,000 of the machines.

Michelle Groskopf

In the meantime, selling Ghost Gunners has been a lucrative business. Defense Distributed has sold roughly 6,000 of the desktop devices to DIY gun enthusiasts across the country, mostly for \$1,675 each, netting millions in profit. The company employs 15 people and is already outgrowing its North Austin headquarters. But Wilson says he's never been interested in money or building a startup for its own sake. He now claims that the entire venture was created with a singular goal: to raise enough money to wage his legal war against the US State Department.

After his lawyers originally told him in 2013 that his case against the government was hopeless, Wilson fired them and hired two new ones with expertise in export control and both Second and First-Amendment law. Matthew Goldstein, Wilson's lawyer who is focused on ITAR, says he was immediately convinced of the merits of Wilson's position. "This is the case you'd bring out in a law school course as an unconstitutional law," Goldstein says. "It ticks all the check boxes of what violates the First Amendment."

When Wilson's company teamed up with the Second Amendment Foundation and brought their lawsuit to a Texas District court in 2015, they were supported by a collection of amicus briefs from a shockingly broad coalition: Arguments in their favor were submitted by not only the libertarian Cato Institute, the gun-rights-focused Madison Society, and 15 Republican members of Congress but also the Electronic Frontier Foundation and the Reporters Committee for Freedom of the Press.

When the judge in the case nonetheless rejected Defense Distributed's request for a preliminary injunction that would have immediately allowed it to continue publishing gun files, the company appealed, and lost. But as the case proceeded toward a ruling on Defense Distributed's first amendment argument, the government surprised the plaintiffs by suddenly offering them a settlement with essentially everything they wanted. It even pays back \$40,000 of their court costs and paperwork fees. (Wilson says that's still only about 10 percent of the \$400,000 that the plaintiffs spent.)

Goldstein says the settlement may have had as much to do with ITAR reforms begun during the Obama administration as with the gun-friendly Trump administration that took over the case. But he doesn't rule out that a new regime may have helped tip the balance in the plaintiffs' favor. "There's different management at the helm of this agency," Goldstein says. "You can draw your own conclusions." Both the Department of Justice and the State Department declined to comment on the outcome of the case.

With the rule change their win entails, Defense Distributed has removed a legal threat to not only its project but an entire online community of DIY gunmakers<https://www.wired.com/2014/05/3d-printed-guns/>. Sites like GrabCAD and FossCad already host hundreds of gun designs, from Defense Distributed's Liberator pistol to printable revolvers and even semiautomatic weapons. "There's a lot of satisfaction in doing things yourself, and it's also a way of expressing support for the Second Amendment," explains one prolific FossCad contributor, a West Virginian serial inventor of 3-D-printable semiautomatics<https://www.wired.com/2016/02/someone-mostly-3-d-printed-a-working-semi-automatic-gun/> who goes by the pseudonym Derwood. "I'm a conservative. I support all the amendments."

But until now, Derwood and practically every other participant on those platforms risked prosecution for violating export controls, whether they knew it or not. Though enforcement has been rare against anyone less vocal and visible than Wilson, many online gunsmiths have nonetheless obscured their identities for that reason. With the more open and intentional database of gun files that Defcad represents, Wilson believes he can create a collection of files that's both more comprehensive and more refined, with higher accuracy, more detailed models for every component, giving machinists all the data they need to make or remix them. "This is the stuff that's necessary for the creative work to come," Wilson says.

In all of this, Wilson sees history repeating itself: He points to the so-called Crypto Wars of the 1990s<https://www.wired.com/1993/02/crypto-rebels/>. After programmer Phillip Zimmermann in 1991 released PGP, the world's first free encryption program that anyone could use to thwart surveillance, he too was threatened with an indictment for violating export restrictions. Encryption software was, at the time, treated as a munition and placed on the same prohibited export control list as guns and missiles. Only after a fellow cryptographer, Daniel Bernstein, sued the government<https://www.wired.com/2002/10/professors-case-unlock-crypto/> with the same free-speech argument Wilson would use 20 years later did the government drop its investigation of Zimmermann and spare him from prison.

"This is a specter of the old thing again," Wilson says. "What we were actually fighting about in court was a core crypto-war problem." And following that analogy, Wilson argues, his legal win means gun blueprints can now spread as widely as encryption has since that earlier legal fight: After all, encryption has now grown from an underground curiosity to a commodity integrated into apps, browsers, and websites running on billions of computers and phones across the globe.

But Zimmermann takes issue with the analogy on ethical if not legal grounds. This time, he points out, the First Amendment-protected data that was legally treated as a weapon actually is a weapon. "Encryption is a defense technology with humanitarian uses," Zimmermann says. "Guns are only used for killing."

"Arguing that they're the same because they're both made of bits isn't quite persuasive for me," Zimmermann says. "Bits can kill."

After a tour of the machine shop, Wilson leads me away from the industrial roar of its milling machines, out the building's black-mirrored-glass doors and through a grassy patch to its back entrance. Inside is a far quieter scene: A large, high-ceilinged, dimly fluorescent-lit warehouse space filled with half a dozen rows of gray metal shelves, mostly covered in a seemingly random collection of books, from *The Decline and Fall of the Roman Empire* to *Hunger Games*. He proudly points out that it includes the entire catalog of Penguin Classics and the entire Criterion Collection, close to 900 Blu-rays. This, he tells me, will be the library.

And why is Defense Distributed building a library? Wilson, who cites Baudrillard, Foucault, or Nietzsche at least once in practically any conversation, certainly doesn't mind the patina of erudition it lends to what is essentially a modern-day gun-running operation. But as usual, he has an ulterior motive: If he can get this room certified as an actual, official public library, he'll unlock another giant collection of existing firearm data. The US military maintains records of thousands of the specs for thousands of firearms in technical manuals, stored on reels and reels of microfiche cassettes. But only federally approved libraries can access them. By building a library, complete with an actual microfiche viewer in



one corner, Wilson is angling to access the US military's entire public archive of gun data, which he eventually hopes to digitize and include on Defcad.com<<http://Defcad.com>>, too.

To exploit a technical loophole that gives him access to military weapons files, Cody Wilson is also building a library. He proudly notes it will include the entire Criterion Collection on Blu-ray.

Michelle Groskopf

"Ninety percent of the technical data is already out there. This is a huge part of our overall digital intake strategy," Wilson says. "Hipsters will come here and check out movies, independent of its actual purpose, which is a stargate for absorbing ancient army technical materials."

Browsing that movie collection, I nearly trip over something large and hard. I look down and find a granite tombstone with the words AMERICAN GUN CONTROL engraved on it. Wilson explains he has a plan to embed it in the dirt under a tree outside when he gets around to it. "It's maybe a little on the nose, but I think you get where I'm going with it," he says.

Wilson plans to bury this tombstone by his library's entrance. "It's maybe a little on the nose," he admits.

Michelle Groskopf

Wilson's library will serve a more straightforward purpose, too: In one corner stands a server rack that will host Defcad's website and backend database. He doesn't trust any hosting company to hold his controversial files. And he likes the optics of storing his crown jewels in a library, should any reversal of his legal fortunes result in a raid. "If you want to come get it, you have to attack a library," he says.

On that subject, he has something else to show me. Wilson pulls out a small embroidered badge. It depicts a red, dismembered arm on a white background. The arm's hand grips a curved sword, with blood dripping from it. The symbol, Wilson explains, once flew on a flag above the Goliad Fort in South Texas. In Texas' revolution against Mexico in the 1830s, Goliad's fort was taken by the Mexican government and became the site of a massacre of 400 American prisoners of war, one that's far less widely remembered than the Alamo.

Wilson recently ordered a full-size flag with the sword-wielding bloody arm. He wants to make it a new symbol for his group. His interest in the icon, he explains, dates back to the 2016 election, when he was convinced Hillary Clinton was set to become the president and lead a massive crackdown on firearms.

The flag of Goliad, which Wilson has adopted as a new symbol for his group. He suggests you interpret it as you will.

Michelle Groskopf

If that happened, as Wilson tells it, he was ready to launch his Defcad repository, regardless of the outcome of his lawsuit, and then defend it in an armed standoff. "I'd call a militia out to defend the server, Bundy-style," Wilson says calmly, in the first overt mention of planned armed violence I've ever heard him make. "Our only option was to build an infrastructure where we had one final suicidal mission, where we dumped everything into the internet," Wilson says. "Goliad became an inspirational thing for me."

Now, of course, everything has changed. But Wilson says the Goliad flag still resonates with him. And what does that bloody arm symbol mean to him now, in the era where Donald Trump is president and the law has surrendered to his will? Wilson declines to say, explaining that he would rather leave the mystery of its abstraction intact and open to interpretation.



But it doesn't take a degree in semiotics to see how the Goliad flag suits Defense Distributed. It reads like the logical escalation of the NRA's "cold dead hands" slogan of the last century. In fact, it may be the perfect symbol not just for Defense Distributed's mission but for the country that produced it, where firearms result in tens of thousands of deaths a year-vastly more than any other developed nation in the world-yet groups like Wilson's continue to make more progress in undermining gun control than lawmakers do in advancing it. It's a flag that represents the essence of violent extremist ideology: An arm that, long after blood is spilled, refuses to let go. Instead, it only tightens its grip on its weapon, as a matter of principle, forever.

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1Corrected 7/10/2018 2:30 EST to note that the first 3-D printed gun used .380-caliber ammunition, not .223-caliber.

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**From:** Paul, Joshua M <PaulJM@state.gov>  
**Sent:** Friday, July 20, 2018 12:00 PM  
**To:** Fite, David (Foreign Relations); Rice, Edmund; Miller, Michael F; Darrach, Tamara A  
**Cc:** McCormick, Jamie; Oliver, Stacie (Foreign Relations)  
**Subject:** RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

David,

We would be glad to discuss the question of timing when we brief you; our commitment to transparency hasn't changed, and we have been working to line up a briefing to you for some time, but as you will understand, on a complex matter like this, there are several wickets we have to go through.

Josh

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From: Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov>  
Sent: Friday, July 20, 2018 11:45 AM  
To: Paul, Joshua M <PaulJM@state.gov>; Rice, Edmund <Edmund.Rice@mail.house.gov>; Miller, Michael F <Millermf@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>; Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov>  
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

If this settlement was signed on June 29th, why weren't we informed earlier about it? Or did I miss the email?

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>  
Sent: Friday, July 20, 2018 11:42 AM  
To: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov<mailto:David\_Fite@foreign.senate.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>  
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Understood, and that's helpful information. We'll round back and be in touch.

Official  
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From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>  
Sent: Friday, July 20, 2018 11:32 AM  
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov<mailto:David\_Fite@foreign.senate.gov>>; Miller, Michael F

<Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A  
<DarrachTA@state.gov<mailto:DarrachTA@state.gov>>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie  
(Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>  
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

A phone call would be only a first step for we four. I expect that as news of this settlement spreads, there will be a requirement to brief a number of Congressional staff and then Members.

From: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>  
Sent: Friday, July 20, 2018 11:21 AM  
To: Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov<mailto:David\_Fite@foreign.senate.gov>>; Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>  
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

Hello,

We've actually been in the process of putting together a briefing for you on this - with the intent being to provide a phone call early next week. Would that work?

Josh

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From: Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov<mailto:David\_Fite@foreign.senate.gov>>  
Sent: Friday, July 20, 2018 11:10 AM  
To: 'Rice, Edmund' <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>  
Subject: RE: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms

As well as State's view of State's legal liability to this suit in the first place.

From: Rice, Edmund <Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>>  
Sent: Friday, July 20, 2018 11:03 AM  
To: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Paul, Joshua <pauljm@state.gov<mailto:pauljm@state.gov>>; Darrach, Tamara <darrachta@state.gov<mailto:darrachta@state.gov>>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov<mailto:Jamie.McCormick@mail.house.gov>>; Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov<mailto:David\_Fite@foreign.senate.gov>>; Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>  
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms  
Importance: High

Mike, et.al<[https://urldefense.proofpoint.com/v2/url?u=http-3A\\_\\_et.al&d=DwQFag&c=L93KkjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7\\_ZRFYXD\\_2-oNGpZDaSv48lvvk3sok\\_Kc-8ucoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E\\_XypzmUYkPwY&s=WDbfGOTuqtofudKGj\\_R9heOE3es9SbkzJomT50T-7pA&e=>](https://urldefense.proofpoint.com/v2/url?u=http-3A__et.al&d=DwQFag&c=L93KkjKsAC98uTvC4KvQDTmmq1mJ2vMPtzuTpFgX8gY&r=qK7_ZRFYXD_2-oNGpZDaSv48lvvk3sok_Kc-8ucoEbs&m=INcZ7Lzqeg9FRKxUQ74geJdNZKtHf7E_XypzmUYkPwY&s=WDbfGOTuqtofudKGj_R9heOE3es9SbkzJomT50T-7pA&e=>).

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice  
Senior Professional Staff Member  
Democratic Staff  
House Foreign Affairs Committee  
B-360 Rayburn House Office Bldg.  
202-226-8467

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**From:** Marquis, Matthew R <MarquisMR@state.gov>  
**Sent:** Thursday, April 26, 2018 3:04 PM  
**To:** PM-DTCC-DL; PM/RSAT EUR/WHA Team  
**Cc:** PM-CPA; PM/SA Security Assistance Office; Miller, Michael F; O'Keefe, Kevin P; Cressey, Laura E; Christensen, Brent T; Jost, Aaron W  
**Subject:** CPA Media Monitoring: The Intercept: HOW U.S. GUNS SOLD TO MEXICO END UP WITH SECURITY FORCES ACCUSED OF CRIME AND HUMAN RIGHTS ABUSES

[cid:image001.png@01D29279.128F6050]

HOW U.S. GUNS SOLD TO MEXICO END UP WITH SECURITY FORCES ACCUSED OF CRIME AND HUMAN RIGHTS ABUSES By  
John Lindsay-Poland  
26 April 2018

IN A ROOM full of weapons industry representatives in Washington, D.C., in February, one by one, people stood to introduce themselves. They had come together as part of the Defense Trade Advisory Group, which advises the State Department about how to make it easier to export U.S. weapons around the world. On the docket for the day was a proposal for something called "batch filing," which would allow weapon companies to submit multiple applications for export licenses at a time.

Many of companies present had a particularly large stake in Mexico: There were representatives from Lockheed Martin, which sends Black Hawk helicopters to Mexico, and from Textron, which owns Bell helicopters, also purchased by Mexico's military. There was someone from Nammo Talley, from which the Mexican military bought more than 2,000 weapons in 2016 for a little over \$8.3 million.

The chair, Bill Wade of the Pentagon contractor L3 Technologies, clearly did not want Tizapa to say anything. "We're really pressed for time, unless you have a question," Wade said. Tizapa had planned to speak in Spanish through an interpreter, but, faced with the chair's hostility, he spoke directly in English.

"My name is Antonio, I am the father of one of the 43 disappeared students in Mexico," he said. "Because the police used weapons, my son disappeared 40 months ago. He is my son. Please, don't send more weapons to Mexico. I am looking for my son. There are not just 43, it's more."

After Tizapa spoke, Wade moved on to the next comment without missing a beat or acknowledging his appeal in any way.

The Trump administration is set to make it easier for guns to flow to forces like those that disappeared Tizapa's son. As part of an "Arms Transfer Initiative" aimed at boosting all U.S. weapons sales, the administration will likely soon announce policies that would ease the rules by which the United States sends guns and munitions abroad. Under the new regime, oversight of export licenses is expected to move from the State Department to the Commerce Department, and many fear there will be less scrutiny with regards to human rights and national security concerns.

Mexico has already been a major beneficiary of easy U.S. arms exports. Since 2007, Mexico and the United States have undertaken a joint security strategy aimed at battling cartels and controlling narcotrafficking and other illicit activities. That strategy has coincided with an enormous increase in firearms sales from the U.S. to Mexico.

Recent Mexican and U.S. government data analyzed by The Intercept shows that legal U.S. gun and explosives exports to Mexico are higher than ever, and that the guns are flowing to all levels of the Mexican security and police apparatus. Legal U.S. firearm and ammunition exports to Mexico between 2015 and 2017 amounted to almost \$123 million,

according to U.S. Census Bureau trade records - more than a dozen times what they were between 2002 and 2004. Last year, four times such exports went to Mexico than to any other Latin American nation. But if the aim of firearms sales to Mexico is to abate criminal violence, it has failed dramatically. Homicide victims in 2017 in Mexico surpassed 29,000, the highest on record.

The exponential growth in sales to Mexico has not been accompanied by controls to track where the guns go or to ensure that they do not land in the hands of police or military units that are credibly alleged to have committed gross human rights abuses or colluded with criminal groups - the very groups that security forces are being armed to combat. Legally exported U.S. firearms have been used in massacres, disappearances, and by security forces that collude with criminal groups in Mexico on a broad scale.

#### How Guns Flow from the Military to Local and State Police

The Mexican military is the only legal importer of firearms into Mexico. In turn, the Mexican army is the only legal distributor of guns within the country; personal possession of firearms is highly restricted, with a single military-run retail store for gun sales in Mexico City. Aside from the weapons that the military acquires for its own forces, most legally imported guns in Mexico are sold to state and local police forces. More than half of the 305,086 guns sold by the Mexican Secretariat of National Defense - which includes the army and air force and is known by its Spanish acronym SEDENA - from 2010 through 2016 were sold to police, according to documents released by SEDENA in response to a public records request.

Since criminal organizations arm themselves with U.S. assault weapons illegally trafficked from the U.S. retail market, legal exports to police and the military are part of a deadly arms race with these organizations. More than 20,000 firearms obtained by Mexican state and federal police went missing or were stolen from 2006 to 2017, according to SEDENA data. More than 7,000 of the weapons went missing from police in Mexico City and Mexico state. In the state of Guerrero, the number of guns gone missing or stolen between 2010 and 2016 amounts to nearly one-fifth of the firearms police acquired in the state during the same period.

There is also evidence that firearms legally imported from the United States have been used in some of the worst human rights violations in Mexico in recent years. The local police who attacked the 43 Ayotzinapa students were armed with AR6530 rifles, a model variant of the AR-15, legally supplied through licensed shipments from Colt, according to documents in the judicial record.

An investigation by Mexico's National Human Rights Commission found that Federal Police, who carried out the massacre of 22 persons in Tanhuato, Michoacán, in 2015, killed five of them with Dillon Aero guns mounted on Black Hawk helicopters. The Dillon guns fire some 125 rounds per second, and Mexico obtained 16 of them for the army in 2013, for just over \$1 million, and then another 12 in 2015, according to Mexico's most recent Arms Trade Treaty report.

These are unusual cases, in that we know which weapons were involved. Most homicides in Mexico - including those carried out by state forces - are never investigated, so there is no judicial record identifying the firearms that were used. But the volume of U.S. firearms going to Mexico, combined with the well-established record of police and military forces colluding with organized crime and committing gross human rights violations, means that U.S. guns are certainly at the scene of many more crimes.

The example of U.S. gun producer Sig Sauer is instructive as to how guns move from the military to police. In April 2015, the U.S. State Department issued a \$266 million license to Sig Sauer: \$265 million for gun sales, and \$1 million for other equipment and technical support to the Mexican navy, defense ministry, interior ministry, and federal and state police forces. That year, Mexico imported 3,060 rifles, 3,819 pistols, and 505 machine guns produced by Sig Sauer's New Hampshire production facilities. The license also permits the Mexican navy to assemble Sig Sauer MPX submachine guns, capable of firing 850 rounds a minute, from "kits" made of parts produced by the company. All told, as of January, \$29.3 million in guns and gun parts had been exported from Sig Sauer and other New Hampshire manufacturers to Mexico.

since April 2015, according to Census Bureau trade records - meaning that Sig Sauer has at least \$235 million left in sales to make before its license expires in 2024.

On its end, since 2014, the Mexican military has sold 1,400 U.S.-produced Sig Sauer firearms to police in 18 Mexican states, including states where there is an extensive record of collusion with organized crime, such as Tamaulipas, Michoacán, and Chihuahua, SEDENA records show. State authorities also distribute these weapons to local police; in the state of Mexico, for example, Sig Sauer weapons were sold to police in five municipalities, while Colt weapons went to three other municipalities, as well as state police, according to a state police document.

According to data recently released by the Mexican military, other U.S. gun producers that have exported thousands of firearms each to Mexico for use by the police or private individuals include: Colt, Bushmaster, Mossberg, Smith & Wesson, DS Arms, Remington, and Browning. The Mexican military has also purchased military weapons from U.S. producers Nammo Talley, Barrett Firearms, and Knight Armament Company since 2014. In Veracruz, the police responsible for at least 15 death squad murders purchased, since 2013, at least 674 firearms exported by three U.S. arms companies: Colt, Bushmaster, and Combined Systems, according to the Veracruz public security secretariat. Local police in Veracruz also obtained weapons from Sig Sauer and Connecticut-based Mossberg.

Beyond guns, U.S. Census Bureau trade data show that just over \$8.3 million in military explosives were delivered to Mexico from Arizona in September and October 2017, more than in any year in the last decade for all states combined. (In all of 2016, military explosives exported from the entire United States to Mexico amounted to less than \$800,000.) The Census records do not indicate which company exported the explosives. In addition, Milkor USA, based in Tucson, sold M32A1 grenade launchers used by the Mexican military special forces. In 2017, more than \$5 million worth of grenade launchers were exported to Mexico from Texas alone.

The permissive U.S. attitude toward gun exports has prompted several gun producers based in the European Union to beef up production in the United States, thus evading EU restrictions on arms sales to countries with widespread violence or human rights violations. Sig Sauer, for instance, whose parent company is in Germany, more than quadrupled global exports from the United States between 2009 and 2016, according to data from the Bureau of Alcohol, Tobacco and Firearms. (Germany stopped approving licenses for gun exports to Mexico after 2010.) Beretta (Italy) and Glock (Austria) produce guns in Tennessee and Georgia, respectively, and are the two brands that Mexico has imported in the largest numbers since 2007, per SEDENA records. The State Department in February 2016 issued a license to Glock to export more than 11,000 9mm and .45 caliber pistols from its Smyrna, Georgia, facility for re-sale to Mexican police.

### More Guns, Less Tracking

The State Department is supposed to track end users of U.S. arms exports, to ensure that they don't go missing or end up in the hands of criminal elements - exactly as is feared is the case in Mexico. But the methods for tracking gun shipments have systemic problems, State Department officials admit behind the scenes. And with the Trump administration's proposed changes, the process could be undermined even further.

Officials in the State Department's Directorate of Defense Trade Controls, speaking on background during a meeting last summer, told me that U.S. and Mexican systems for identifying firearm shipments from the United States to Mexico are incompatible and incapable of talking with each other, making it impossible to track firearm shipments without physical inspections, which happen only occasionally.

In addition, when the State Department Bureau of Human Rights, Democracy and Labor, or DRL, receives firearms exports license applications to review for human rights concerns, approximately 80 percent of the applications show the end user as the military in Mexico City, according to a DRL official in December, who also spoke on background. That's entirely inconsistent with SEDENA's data, which shows that most of more than 305,000 firearms it distributed between 2010 and 2016 went to police and private users outside Mexico City. (Although the U.S. government compiles and releases some records on gun exports, Mexican public records requests have resulted in this more granular look at the



end users in Mexico of U.S. guns. But Mexico recently passed an "Internal Security Law," which classifies more military information and may make it harder for the public to access those records.)

When the applications did identify units that would receive the firearms, according to a State Department official who spoke on background in May 2017, DRL did not crosscheck those units with a human rights database known as INVEST, which is designed for screening military and police units nominated for U.S. assistance. A State Department spokesperson said that commercial arms sales are subject to a different process from assistance, "which still takes into account reports of human rights violations, including by foreign security units," but neglecting the INVEST database may help explain how many end users with tarred records received U.S. gun exports.

For its part, the Trump administration is poised to make the gun export licensing system favor the arms industry even more, with a planned transfer of export licensing from the State Department to the Commerce Department.

The arms industry has long pushed for this change - and won significant changes from the Obama administration easing export restrictions on many types of military equipment. Despite soaring arms sales under Obama, human rights controls remained nominally a priority, but many are concerned that the Trump administration's overhaul will jettison them. In announcing the Arms Trade Initiative last week, the White House included human rights among the things to be taken into consideration, but it remains to be seen how vetting will actually be applied. A move to Commerce would remove congressional oversight of the licenses, which has in the past led to the cancellation of gun export deals to the Philippines - where armed forces have allegedly carried out thousands of extrajudicial killings - and to Turkey's presidential guard, after guard members beat up demonstrators in Washington, D.C.

Worried by Trump's proposal, three U.S. senators wrote last September that firearms exports "should be subject to more - not less - rigorous controls and oversight."

Given the record under today's controls, it seems certain that loosening them further will mean that Antonio Tizapa and the tens of thousands of other Mexicans who have lost family members to gun violence will be joined by new victims of U.S.-sourced weaponry.

Link: <https://theintercept.com/2018/04/26/mexico-arms-trade-us-gun-sales/>

Matthew Marquis

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**From:** Cross-Durrant, Marlo S <Cross-DurrantMS@state.gov>  
**Sent:** Tuesday, July 17, 2018 3:02 PM  
**To:** PM-CPA  
**Subject:** FW: Questions on recent settlement with Defense Distributed  
**Attachments:** Defense Distributed Settlement Signed 4814-9819-4796\_1 (1) (1).pdf

Dear PM colleagues,  
Please see below for press query from Washington Times. Please let me know if you'd like to take care of this.

Thanks,  
Marlo

From: David Sherfinski <[dsherfinski@washingtontimes.com](mailto:dsherfinski@washingtontimes.com)>  
Sent: Tuesday, July 17, 2018 1:04 PM  
To: PA Press Duty <[PAPressDuty@state.gov](mailto:PAPressDuty@state.gov)>  
Subject: Questions on recent settlement with Defense Distributed

Hello,

This is David Sherfinski with the Washington Times. I'm writing a story on this recent settlement between the administration and Defense Distributed and wanted to ask a few questions since it was negotiated by the State Department:

- Why did State choose to settle after years of litigation involving this case?
- What specifically did the administration win/gain by settling that it would not have otherwise?
- How did the administration's recent moves on export control reform factor into the decision?

Anyway, please let me know what you can on these - thanks very much.

Sincerely,

David

--

David Sherfinski  
The Washington Times  
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**From:** Monjay, Robert <MonjayR@state.gov>  
**Sent:** Tuesday, July 10, 2018 3:50 PM  
**To:** Wolf, Kevin; Heidema, Sarah J  
**Subject:** RE: A Landmark Legal Shift Opens Pandora's Box for DIY Guns | WIRED

I did not realize that Wired did feature length PR releases.

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From: Wolf, Kevin <kwolf@akingump.com>  
Sent: Tuesday, July 10, 2018 2:42 PM  
To: Monjay, Robert <MonjayR@state.gov>; Heidema, Sarah J <HeidemaSJ@state.gov>  
Subject: A Landmark Legal Shift Opens Pandora's Box for DIY Guns | WIRED

[https://www.wired.com/story/a-landmark-legal-shift-opens-pandoras-box-for-diy-guns/?mbid=social\\_fb](https://www.wired.com/story/a-landmark-legal-shift-opens-pandoras-box-for-diy-guns/?mbid=social_fb)  
A Landmark Legal Shift Opens Pandora's Box for DIY Guns BY Andy Greenberg<<https://www.wired.com/author/andy-greenberg>>

Five years ago, 25-year-old radical libertarian Cody Wilson stood on a remote central Texas gun range and pulled the trigger on the world's first fully 3-D-printed gun<<https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/andygreenberg/2013/05/05/meet-the-liberator-test-firing-the-worlds-first-fully-3d-printed-gun/&refURL=https://www.google.com/&referrer=https://www.google.com/>>. When, to his relief, his plastic invention fired a .380-caliber bullet into a berm of dirt without jamming or exploding in his hands, he drove back to Austin and uploaded the blueprints for the pistol to his website, Defcad.com<<http://Defcad.com>>.1

He'd launched the site months earlier along with an anarchist video manifesto<[https://www.youtube.com/watch?time\\_continue=167&v=rO54gzfite4](https://www.youtube.com/watch?time_continue=167&v=rO54gzfite4)>, declaring that gun control would never be the same in an era when anyone can download and print their own firearm with a few clicks. In the days after that first test-firing, his gun was downloaded more than 100,000 times. Wilson made the decision to go all in on the project, dropping out of law school at the University of Texas, as if to confirm his belief that technology supersedes law<<https://www.wired.com/2014/07/inside-dark-wallet/>>.

Cody Wilson, the founder of Defense Distributed, plans to create the world's largest repository of digital gun files.

Michelle Groskopf

The law caught up. Less than a week later, Wilson received a letter from the US State Department demanding that he take down his printable-gun blueprints or face prosecution for violating federal export controls<<https://www.forbes.com/sites/andygreenberg/2013/05/09/state-department-demands-takedown-of-3d-printable-gun-for-possible-export-control-violation/#251be32e375f>>. Under an obscure set of US regulations known as the International Trade in Arms Regulations (ITAR), Wilson was accused of exporting weapons without a license, just as if he'd shipped his plastic gun to Mexico rather than put a digital version of it on the internet. He took Defcad.com<<http://Defcad.com>> offline, but his lawyer warned him that he still potentially faced millions of dollars in fines and years in prison simply for having made the file available to overseas downloaders for a few days. "I thought my life was over," Wilson says.

Instead, Wilson has spent the last years on an unlikely project for an anarchist: Not simply defying or skirting the law but taking it to court and changing it. In doing so, he has now not only defeated a legal threat to his own highly controversial gunsmithing project. He may have also unlocked a new era of digital DIY gunmaking that further undermines gun control across the United States and the world—another step toward Wilson's imagined future where anyone can make a deadly weapon at home with no government oversight.

Two months ago, the Department of Justice quietly offered Wilson a settlement to end a lawsuit he and a group of co-plaintiffs have pursued since 2015 against the United States government<<https://www.wired.com/2015/05/3-d-printed-gun-lawsuit-starts-war-arms-control-free-speech/>>. Wilson and his team of lawyers focused their legal argument on a free speech claim: They pointed out that by forbidding Wilson from posting his 3-D-printable data, the State Department was not only violating his right to bear arms but his right to freely share information. By blurring the line between a gun and a digital file, Wilson had also successfully blurred the lines between the Second Amendment and the First.

"If code is speech, the constitutional contradictions are evident," Wilson explained to WIRED when he first launched the lawsuit in 2015. "So what if this code is a gun?"

The Department of Justice's surprising settlement, confirmed in court documents earlier this month, essentially surrenders to that argument. It promises to change the export control rules surrounding any firearm below .50 caliber—with a few exceptions like fully automatic weapons and rare gun designs that use caseless ammunition—and move their regulation to the Commerce Department, which won't try to police technical data about the guns posted on the public internet. In the meantime, it gives Wilson a unique license to publish data about those weapons anywhere he chooses.

"I consider it a truly grand thing," Wilson says. "It will be an irrevocable part of political life that guns are downloadable, and we helped to do that."

Now Wilson is making up for lost time. Later this month, he and the nonprofit he founded, Defense Distributed, are relaunching their website Defcad.com<<http://Defcad.com>> as a repository of firearm blueprints they've been privately creating and collecting, from the original one-shot 3-D-printable pistol he fired in 2013 to AR-15 frames and more exotic DIY semi-automatic weapons. The relaunched site will be open to user contributions, too; Wilson hopes it will soon serve as a searchable, user-generated database of practically any firearm imaginable.  
[[https://media.wired.com/photos/5b3a9366c002fe17d01df633/4:3/w\\_1920,c\\_limit/DD-01w.jpg](https://media.wired.com/photos/5b3a9366c002fe17d01df633/4:3/w_1920,c_limit/DD-01w.jpg)]

All of that will be available to anyone anywhere in the world with an uncensored internet connection, to download, alter, remix, and fabricate into lethal weapons with tools like 3-D printers and computer-controlled milling machines. "We're doing the encyclopedic work of collecting this data and putting it into the commons," Wilson says. "What's about to happen is a Cambrian explosion of the digital content related to firearms." He intends that database, and the inexorable evolution of homemade weapons it helps make possible, to serve as a kind of bulwark against all future gun control, demonstrating its futility by making access to weapons as ubiquitous as the internet.

Of course, that mission seemed more relevant when Wilson first began dreaming it up, before a political party with no will to rein in America's gun death epidemic held control of Congress, the White House, and likely soon the Supreme Court. But Wilson still sees Defcad as an answer to the resurgent gun control movement that has emerged in the wake of the Parkland, Florida, high school shooting that left 17 students dead in February.

The potential for his new site, if it functions as Wilson hopes, would also go well beyond even the average Trump supporter's taste in gun rights. The culture of homemade, unregulated guns it fosters could make firearms available to even those people who practically every American agrees shouldn't possess them: felons, minors, and the mentally ill. The result could be more cases like that of John Zawahiri, an emotionally disturbed 25-year-old who went on a shooting spree in Santa Monica, California, with a homemade AR-15 in 2015<<https://www.wsj.com/articles/the-rise-of-untraceable-ghost-guns-1515061800>>, killing five people, or Kevin Neal, a Northern California man who killed five

people with AR-15-style rifles—some of which were homemade—last November<<https://www.nbcnews.com/news/us-news/california-mass-shooter-made-his-own-killing-machines-n821516>>.

"This should alarm everyone," says Po Murray, chairwoman of Newtown Action Alliance, a Connecticut-focused gun control group created in the wake of the mass shooting at Sandy Hook Elementary School in 2013. "We're passing laws in Connecticut and other states to make ensure these weapons of war aren't getting into the hands of dangerous people. They're working in the opposite direction."

When reporters and critics have repeatedly pointed out those potential consequences of Wilson's work over the last five years, he has argued that he's not seeking to arm criminals or the insane or to cause the deaths of innocents. But nor is he moved enough by those possibilities to give up what he hopes could be, in a new era of digital fabrication, the winning move in the battle over access to guns.

With his new legal victory and the Pandora's box of DIY weapons it opens, Wilson says he's finally fulfilling that mission. "All this Parkland stuff, the students, all these dreams of 'common sense gun reforms'? No. The internet will serve guns, the gun is downloadable." Wilson says now. "No amount of petitions or die-ins or anything else can change that."

Defense Distributed operates out of an unadorned building in a north Austin industrial park, behind two black-mirrored doors marked only with the circled letters "DD" scrawled by someone's finger in the dust. In the machine shop inside, amid piles of aluminum shavings, a linebacker-sized, friendly engineer named Jeff Winkleman is walking me through the painstaking process of turning a gun into a collection of numbers.

Winkleman has placed the lower receiver of an AR-15, the component that serves as the core frame of the rifle, on a granite table that's been calibrated to be perfectly flat to one ten-thousandth of an inch. Then he places a Mitutoyo height gauge—a thin metal probe that slides up and down on a tall metal stand and measures vertical distances—next to it, poking one edge of the frame with its probe to get a baseline reading of its position. "This is where we get down to the nitty gritty," Winkleman says. "Or, as we call it, the gnat's ass."

Winkleman then slowly rotates the gauge's rotary handle to move its probe down to the edge of a tiny hole on the side of the gun's frame. After a couple careful taps, the tool's display reads 0.4775 inches. He has just measured a single line—one of the countless dimensions that define the shape of any of the dozens of component of an AR-15—with four decimal places of accuracy. Winkleman's job at Defense Distributed now is to repeat that process again and again, integrating that number, along with every measurement of every nook, cranny, surface, hole, lip, and ridge of a rifle, into a CAD model he's assembling on a computer behind him, and then to repeat that obsessively comprehensive model-building for as many guns as possible.

That a digital fabrication company has opted for this absurdly manual process might seem counterintuitive. But Winkleman insists that the analog measurements, while infinitely slower than modern tools like laser scanners, produce a far more accurate model—a kind of gold master for any future replications or alterations of that weapon. "We're trying to set a precedent here," Winkelman says. "When we say something is true, you absolutely know it's true."

One room over, Wilson shows me the most impressive new toy in the group's digitization toolkit, one that arrived just three days earlier: A room-sized analog artifact known as an optical comparator. The device, which he bought used for \$32,000, resembles a kind of massive cartoon X-ray scanner.

Defense Distributed's optical comparator, a room-sized machine the group is using to convert physical guns to collections of digital measurements.

Michelle Groskopf

Wilson places the body of an AR-9 rifle on a pedestal on the right side of the machine. Two mercury lamps project neon green beams of light onto the frame from either side. A lens behind it bends that light within the machine and then

projects it onto a 30-inch screen at up to 100X magnification. From that screen's mercury glow, the operator can map out points to calculate the gun's geometry with microscopic fidelity. Wilson flips through higher magnification lenses, then focuses on a series of tiny ridges of the frame until the remnants of their machining look like the brush strokes of Chinese calligraphy. "Zoom in, zoom in, enhance" Wilson jokes.

Wilson's first controversial innovation was to demonstrate how digital files could be converted to physical, deadly weapons.

Michelle Groskopf

He now sees an opportunity to cripple gun control with the opposite tactic: digitizing as many weapons as possible and making the files available to gunsmiths.

Michelle Groskopf

Turning physical guns into digital files, instead of vice-versa, is a new trick for Defense Distributed. While Wilson's organization first gained notoriety for its invention of the first 3-D printable gun, what it called the Liberator, it has since largely moved past 3-D printing. Most of the company's operations are now focused on its core business: making and selling a consumer-grade computer-controlled milling machine known as the Ghost Gunner<<https://www.wired.com/2015/06/i-made-an-untraceable-ar-15-ghost-gun/>>, designed to allow its owner to carve gun parts out of far more durable aluminum. In the largest room of Defense Distributed's headquarters, half a dozen millennial staffers with beards and close-cropped hair—all resembling Cody Wilson, in other words—are busy building those mills in an assembly line, each machine capable of skirting all federal gun control to churn out untraceable metal glocks and semiautomatic rifles en masse.

The staff of Defense Distributed: part startup, part advocacy group, part armed insurgency.

Michelle Groskopf

For now, those mills produce only a few different gun frames for firearms, including the AR-15 and 1911 handguns<<https://www.wired.com/story/ghost-gun-machine-makes-untraceable-handguns/>>. But Defense Distributed's engineers imagine a future where their milling machine and other digital fabrication tools—such as consumer-grade aluminum-sintering 3-D printers that can print objects in metal—can make practically any digital gun component materialize in someone's garage.

Most of Defense Distributed's staff work on the group's central source of revenue: building gun-making computer controlled milling machines called the Ghost Gunner

Michelle Groskopf

A Ghost Gunner can finish an AR-15 lower receiver, the central part of the rifle's frame, in a few hours. Defense Distributed has sold close to 6,000 of the machines.

Michelle Groskopf

In the meantime, selling Ghost Gunners has been a lucrative business. Defense Distributed has sold roughly 6,000 of the desktop devices to DIY gun enthusiasts across the country, mostly for \$1,675 each, netting millions in profit. The company employs 15 people and is already outgrowing its North Austin headquarters. But Wilson says he's never been interested in money or building a startup for its own sake. He now claims that the entire venture was created with a singular goal: to raise enough money to wage his legal war against the US State Department.



After his lawyers originally told him in 2013 that his case against the government was hopeless, Wilson fired them and hired two new ones with expertise in export control and both Second and First-Amendment law. Matthew Goldstein, Wilson's lawyer who is focused on ITAR, says he was immediately convinced of the merits of Wilson's position. "This is the case you'd bring out in a law school course as an unconstitutional law," Goldstein says. "It ticks all the check boxes of what violates the First Amendment."

When Wilson's company teamed up with the Second Amendment Foundation and brought their lawsuit to a Texas District court in 2015, they were supported by a collection of amicus briefs from a shockingly broad coalition: Arguments in their favor were submitted by not only the libertarian Cato Institute, the gun-rights-focused Madison Society, and 15 Republican members of Congress but also the Electronic Frontier Foundation and the Reporters Committee for Freedom of the Press.

When the judge in the case nonetheless rejected Defense Distributed's request for a preliminary injunction that would have immediately allowed it to continue publishing gun files, the company appealed, and lost. But as the case proceeded toward a ruling on Defense Distributed's first amendment argument, the government surprised the plaintiffs by suddenly offering them a settlement with essentially everything they wanted. It even pays back \$40,000 of their court costs and paperwork fees. (Wilson says that's still only about 10 percent of the \$400,000 that the plaintiffs spent.)

Goldstein says the settlement may have had as much to do with ITAR reforms begun during the Obama administration as with the gun-friendly Trump administration that took over the case. But he doesn't rule out that a new regime may have helped tip the balance in the plaintiffs' favor. "There's different management at the helm of this agency," Goldstein says. "You can draw your own conclusions." Both the Department of Justice and the State Department declined to comment on the outcome of the case.

With the rule change their win entails, Defense Distributed has removed a legal threat to not only its project but an entire online community of DIY gunmakers<<https://www.wired.com/2014/05/3d-printed-guns/>>. Sites like GrabCAD and FossCad already host hundreds of gun designs, from Defense Distributed's Liberator pistol to printable revolvers and even semiautomatic weapons. "There's a lot of satisfaction in doing things yourself, and it's also a way of expressing support for the Second Amendment," explains one prolific FossCad contributor, a West Virginian serial inventor of 3-D-printable semiautomatics<<https://www.wired.com/2016/02/someone-mostly-3-d-printed-a-working-semi-automatic-gun/>> who goes by the pseudonym Derwood. "I'm a conservative. I support all the amendments."

But until now, Derwood and practically every other participant on those platforms risked prosecution for violating export controls, whether they knew it or not. Though enforcement has been rare against anyone less vocal and visible than Wilson, many online gunsmiths have nonetheless obscured their identities for that reason. With the more open and intentional database of gun files that Defcad represents, Wilson believes he can create a collection of files that's both more comprehensive and more refined, with higher accuracy, more detailed models for every component, giving machinists all the data they need to make or remix them. "This is the stuff that's necessary for the creative work to come," Wilson says.

In all of this, Wilson sees history repeating itself: He points to the so-called Crypto Wars of the 1990s<<https://www.wired.com/1993/02/crypto-rebels/>>. After programmer Phillip Zimmermann in 1991 released PGP, the world's first free encryption program that anyone could use to thwart surveillance, he too was threatened with an indictment for violating export restrictions. Encryption software was, at the time, treated as a munition and placed on the same prohibited export control list as guns and missiles. Only after a fellow cryptographer, Daniel Bernstein, sued the government<<https://www.wired.com/2002/10/professors-case-unlock-crypto/>> with the same free-speech argument Wilson would use 20 years later did the government drop its investigation of Zimmermann and spare him from prison.

"This is a specter of the old thing again," Wilson says. "What we were actually fighting about in court was a core crypto-war problem." And following that analogy, Wilson argues, his legal win means gun blueprints can now spread as widely

as encryption has since that earlier legal fight: After all, encryption has now grown from an underground curiosity to a commodity integrated into apps, browsers, and websites running on billions of computers and phones across the globe.

But Zimmermann takes issue with the analogy—on ethical if not legal grounds. This time, he points out, the First Amendment—protected data that was legally treated as a weapon actually is a weapon. "Encryption is a defense technology with humanitarian uses," Zimmermann says. "Guns are only used for killing."

"Arguing that they're the same because they're both made of bits isn't quite persuasive for me," Zimmermann says. "Bits can kill."

After a tour of the machine shop, Wilson leads me away from the industrial roar of its milling machines, out the building's black-mirrored-glass doors and through a grassy patch to its back entrance. Inside is a far quieter scene: A large, high-ceilinged, dimly fluorescent-lit warehouse space filled with half a dozen rows of gray metal shelves, mostly covered in a seemingly random collection of books, from *The Decline and Fall of the Roman Empire* to *Hunger Games*. He proudly points out that it includes the entire catalog of Penguin Classics and the entire Criterion Collection, close to 900 Blu-rays. This, he tells me, will be the library.

And why is Defense Distributed building a library? Wilson, who cites Baudrillard, Foucault, or Nietzsche at least once in practically any conversation, certainly doesn't mind the patina of erudition it lends to what is essentially a modern-day gun-running operation. But as usual, he has an ulterior motive: If he can get this room certified as an actual, official public library, he'll unlock another giant collection of existing firearm data. The US military maintains records of thousands of the specs for thousands of firearms in technical manuals, stored on reels and reels of microfiche cassettes. But only federally approved libraries can access them. By building a library, complete with an actual microfiche viewer in one corner, Wilson is angling to access the US military's entire public archive of gun data, which he eventually hopes to digitize and include on Defcad.com<<http://Defcad.com>>, too.

To exploit a technical loophole that gives him access to military weapons files, Cody Wilson is also building a library. He proudly notes it will include the entire Criterion Collection on Blu-ray.

Michelle Groskopf

"Ninety percent of the technical data is already out there. This is a huge part of our overall digital intake strategy," Wilson says. "Hipsters will come here and check out movies, independent of its actual purpose, which is a stargate for absorbing ancient army technical materials."

Browsing that movie collection, I nearly trip over something large and hard. I look down and find a granite tombstone with the words AMERICAN GUN CONTROL engraved on it. Wilson explains he has a plan to embed it in the dirt under a tree outside when he gets around to it. "It's maybe a little on the nose, but I think you get where I'm going with it," he says.

Wilson plans to bury this tombstone by his library's entrance. "It's maybe a little on the nose," he admits.

Michelle Groskopf

Wilson's library will serve a more straightforward purpose, too: In one corner stands a server rack that will host Defcad's website and backend database. He doesn't trust any hosting company to hold his controversial files. And he likes the optics of storing his crown jewels in a library, should any reversal of his legal fortunes result in a raid. "If you want to come get it, you have to attack a library," he says.

On that subject, he has something else to show me. Wilson pulls out a small embroidered badge. It depicts a red, dismembered arm on a white background. The arm's hand grips a curved sword, with blood dripping from it. The symbol, Wilson explains, once flew on a flag above the Goliad Fort in South Texas. In Texas' revolution against Mexico in

the 1830s, Goliad's fort was taken by the Mexican government and became the site of a massacre of 400 American prisoners of war, one that's far less widely remembered than the Alamo.

Wilson recently ordered a full-size flag with the sword-wielding bloody arm. He wants to make it a new symbol for his group. His interest in the icon, he explains, dates back to the 2016 election, when he was convinced Hillary Clinton was set to become the president and lead a massive crackdown on firearms.

The flag of Goliad, which Wilson has adopted as a new symbol for his group. He suggests you interpret it as you will.

Michelle Groskopf

If that happened, as Wilson tells it, he was ready to launch his Defcad repository, regardless of the outcome of his lawsuit, and then defend it in an armed standoff. "I'd call a militia out to defend the server, Bundy-style," Wilson says calmly, in the first overt mention of planned armed violence I've ever heard him make. "Our only option was to build an infrastructure where we had one final suicidal mission, where we dumped everything into the internet," Wilson says. "Goliad became an inspirational thing for me."

Now, of course, everything has changed. But Wilson says the Goliad flag still resonates with him. And what does that bloody arm symbol mean to him now, in the era where Donald Trump is president and the law has surrendered to his will? Wilson declines to say, explaining that he would rather leave the mystery of its abstraction intact and open to interpretation.

But it doesn't take a degree in semiotics to see how the Goliad flag suits Defense Distributed. It reads like the logical escalation of the NRA's "cold dead hands" slogan of the last century. In fact, it may be the perfect symbol not just for Defense Distributed's mission but for the country that produced it, where firearms result in tens of thousands of deaths a year—vastly more than any other developed nation in the world—yet groups like Wilson's continue to make more progress in undermining gun control than lawmakers do in advancing it. It's a flag that represents the essence of violent extremist ideology: An arm that, long after blood is spilled, refuses to let go. Instead, it only tightens its grip on its weapon, as a matter of principle, forever.

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1Corrected 7/10/2018 2:30 EST to note that the first 3-D printed gun used .380-caliber ammunition, not .223-caliber.

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**From:** Gary Stanley <gstanley@glstrade.com>  
**Sent:** Wednesday, June 13, 2018 8:27 AM  
**To:** Michael F. Miller  
**Subject:** Defense and Export-Import Update (June 12, 2018)

**Dear All,**

**Good Day!**

***Gary Stanley's EC Tip of the Day:*** EAR § 764.2(e) provides that no person may order, buy, remove, conceal, store, use, sell, loan, dispose of, transfer, transport, finance, forward, or otherwise service, in whole or in part, any item exported or to be exported from the United States, or that is otherwise subject to the EAR, with knowledge that a violation of the EAA, the EAR, or any order, license or authorization issued thereunder, has occurred, is about to occur, or is intended to occur in connection with the item. In other words, if you know or have reason to know about a violation, Stop! Don't stick your head in the sand! Call OEE!

**Today's Items:**

- 1. DDTC Seeks Public Comment on Six Information Collections**
- 2. State Dept. Releases Remarks of Assistant Secretary Christopher Ford on Alternatives for**
- 3. Pres. Trump Continues National Emergency with respect to the Actions and Policies of Ce**
- 4. OFAC Sanctions Two Individuals and Five Entities under Global Magnitsky**
- 5. U.K. Government's Export Control Joint Unit Issues Notice to Exporters 2018/13 on New**
- 6. DoD/DSCA Notifies Congress of Possible FMS in support of Direct Commercial Sale of AH-**
- 7. DoD/DSCA Updates Security Assistance Management Manual and Policy Memos**
- 8. WTO News**
- 9. U.S. Government Contracting**
- 10. U.S. Customs and U.S. Census/AES Updates**
- 11. Commerce/Enforcement and Compliance and U.S. International Trade Commission Action**

**Other Headlines**

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- 13. Who Wants to Do Business in North Korea?**
- 14. Firearms Export Control Reform (ECR) – Opportunities for International Retail Sales**
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- 17. The Cybersecurity 202: Trump Administration Is Taking a Tougher Line on Russia than T**

- 18. Turkey Expected to Invest in a Wide Range of New Weaponry**
- 19. European Defense Agency Chief Questions 'Unhealthy' Defense Trade with the US**
- 20. EU Ready to Fund Some Projects to Speed Military Deployments**
- 21. Harris Introduces New Narrowband Waveform for Coalition Forces**
- 22. France Wants Germany to Join Forces on a Missile**
- 23. Commentary: Whatever Happens Next, the Trump-Kim Summit Is a Win**

## **Upcoming Export Control and Other Trade Compliance Conferences**

### **1. DDTC Seeks Public Comment on Six Information Collections**

(83 Fed. Reg. 27362) - In accordance with the Paperwork Reduction Act of 1995, the U.S. Department of State's Directorate of Defense Trade Controls (DDTC) is seeking public comment on the following six information collections:

- DSP-5 - Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data
- DSP-61 - Application/License for Temporary Import of Unclassified Defense Articles
- DSP-85 - Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data
- DSP-73 - Application/License for Temporary Export of Unclassified Defense Articles
- DSP-6, DSP-62, and DSP-74 - Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data
- DSP-83 - Nontransfer and Use Certificate

DDTC proposes to extend without change all these information collections. Interested person should submit their comments by July 12, 2018.

### **2. State Dept. Releases Remarks of Assistant Secretary Christopher Ford on JCPOA**

The U.S. Department of State has released remarks of Assistant Secretary of State for International Security and Nonproliferation Christopher Ashley Ford made at the Center for a New American Security on alternatives for American policy in the aftermath of the Joint Comprehensive Plan of Action (Iran Nuclear Deal).

### **3. Pres. Trump Continues National Emergency with respect to the Actions of**

(83 Fed. Reg. 27287) - In accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), President Trump is continuing for 1 year the national emergency declared in Executive Order 13405 of June 16, 2006, with respect to the actions and policies

of certain members of the Government of Belarus and other persons to undermine democratic processes or institutions in that country. Click [here](#) for general information on the U.S. Government's Belarus Sanctions Program.

#### **4. OFAC Sanctions Two Individuals and Five Entities under Global Magnitsk**

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has sanctioned Dominican Republic Senator Felix Ramon Bautista Rosario (Bautista) for engaging in corrupt acts, including in relation to reconstruction efforts in Haiti, and Cambodian General Hing Bun Hieng (Bun Hieng) for being the leader of an entity involved in serious human rights abuse, pursuant to Executive Order (E.O.) 13818, which targets perpetrators of corruption and serious human rights abuse and corruption. OFAC also designated five entities owned or controlled by Bautista. As a result of these actions, any property, or interest in property, of those designated today within U.S. jurisdiction is blocked. Additionally, U.S. persons are generally prohibited from engaging in transactions with blocked persons, including entities 50 percent or more owned by designated persons. Click [here](#) for further information identifying the sanctioned individuals and entities.

#### **5. U.K. Government's Export Control Joint Unit Issues Notice to Exporters 2**

The U.K. Government's Export Control Joint Unit (ECJU) has issued Notice to Exporters 2018/13 on new merger and takeover rules potentially affecting U.K. exporters. The government has strengthened its ability to scrutinise mergers and takeovers with relation to possible national security concerns through new rules that came into force on 11 June 2018. These rules follow the publication of the *National Security and Infrastructure Investment Review Green Paper* in October 2017. This review set out proposals to close gaps in our current framework in the short term, and proposals for a more comprehensive regime over the longer term. The U.K. Government has now responded to the consultation on the short-term proposals and secondary legislation came into force on 11 June 2018. The new regulations amend the threshold tests for businesses in the military, dual-use, computing hardware, and quantum technology sectors that are most likely to have implications for U.K. security. Businesses that develop or produce goods on certain of the Strategic Export Control Lists will be covered by the amended thresholds. These changes allow ministers to intervene for public interest reasons when the target business's U.K. turnover is more than £1 million, down from £70 million under the previous rules, and remove the requirement that a merger or takeover in these sectors lead to an increase in the parties' combined share of supply of relevant goods or services before the Government is able to intervene. Action for exporters: Ensure your company is familiar with the legislation amending the share of supply test and turnover threshold and accompanying guidance.

#### **6. DoD/DSCA Notifies Congress of Possible FMS in support of Direct Comme**

The U.S. Department of Defense's Defense Security Cooperation Agency has notified the Congress that the Government of India has requested to buy the following items in support of a proposed direct commercial sale of six (6) AH-64E Apache helicopters: fourteen (14) T700-GE-701D engines; four (4) AN/APG-78 Fire Control Radars; four (4) Radar Electronic Units (REU) Block III; four (4) AN/APR-48B Modernized Radar Frequency Interferometers (M-RFI's); one hundred eighty (180) AGM-114L-3 Hellfire Longbow missiles; ninety (90) AGM-114R-3 Hellfire II missiles; two hundred (200) Stinger Block I-92H missiles; seven (7) Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensors (MTADS-PNVS);



and fourteen (14) Embedded GPS Inertial Navigation Systems (EGI). Also included are rockets, training and dummy missiles, 30mm cannons and ammunition, transponders, simulators, communication equipment, spare and repair parts, tools and test equipment, support equipment, repair and return support, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering and logistics support services, and other related elements of logistic and program support. The total estimated program cost is \$930 million. The prime contractors will be Lockheed Martin Corporation, Orlando, FL; General Electric Company, Cincinnati, OH; Lockheed Martin Mission Systems and Sensors, Owego, NY; Longbow Limited Liability Corporation, Orlando, FL; and Raytheon Company, Tucson, AZ. There are no known offset agreements proposed in connection with this potential sale.

## **7. DoD/DSCA Updates Security Assistance Management Manual and Policy**

The U.S. Department of Defense's Defense Security Cooperation Agency (DSCA) has made the following updates to its Security Assistance Management Manual (SAMM) and Policy Memorandums:

- DSCA Policy Memo 18-22 Alternative Pricing Methodology for Excess Defense Articles: Army M1A1 Main Battle Tank Structures and M88A1 Heavy Equipment Recovery Combat Utility Lift Evacuation System (HERCULES) Armored Recovery Vehicle (ARV) Structures at Sierra Army Depot and Anniston Army Depot has been posted.
- DSCA Policy Memo 18-32 Special Procedures Relating to Excess High Mobility Multipurpose Wheeled Vehicles has been posted.

## **8. WTO News**

- MERKEL AND LEADERS OF SIX MULTILATERAL AGENCIES CALL FOR ENHANCED GLOBAL COOPERATION: German Chancellor Angela Merkel hosted a meeting with the heads of six multilateral agencies on 11 June in Berlin to discuss ways to foster international economic cooperation to address global challenges and improve the prospects for inclusive and sustainable growth. WTO Director-General Roberto Azevêdo attended the meeting, alongside the heads of the ILO, IMF, OECD, World Bank and the African Development Bank. A joint press release was issued at the end of the meeting.
- TRADE POLICY REVIEW: COLOMBIA - The fifth review of the trade policies and practices of Colombia takes place on 12 and 14 June 2018. The basis for the review is a report by the WTO Secretariat and a report by the Government of Colombia.

## **9. U.S. Government Contracting**

- DoD, GSA & NASA/Federal Acquisition Regulation (FAR): Proposed rule - Exception From Certified Cost or Pricing Data Requirements--Adequate Price Competition - Deadline for Public Comment: Aug. 13, 2018

## **10. U.S. Customs and U.S. Census/AES Updates**

- U.S. Customs - Air Cargo Advance Screening (ACAS) - Interim Final Rule - To address ongoing aviation security threats, U.S. Customs and Border Protection (CBP) is amending its regulations pertaining to the submission of advance air cargo data to implement a mandatory Air Cargo Advance Screening (ACAS) program for any inbound aircraft required to make entry under the CBP regulations that will have commercial cargo aboard. The ACAS program requires the inbound carrier or other eligible party to electronically transmit specified advance cargo data (ACAS data) to CBP for air cargo transported onboard U.S.-bound aircraft as early as practicable, but no later than prior to loading of the cargo onto the aircraft. The ACAS program enhances the security of the aircraft and passengers on U.S.-bound flights by enabling CBP to perform targeted risk assessments on the air cargo prior to the aircraft's departure for the United States. These risk assessments will identify and prevent high-risk air cargo from being loaded on the aircraft that could pose a risk to the aircraft during flight. Deadline for Public Comment: Aug. 13, 2018
- U.S. Customs - CSMS #18-000386 Title: Account Profile Universe and Reports Temporarily Disabled
- U.S. Customs -

## **11. Commerce/Enforcement and Compliance and U.S. International Trade (**

- Commerce/E&C - Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016-2017
- Commerce/E&C - Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Rescission of Countervailing Duty Administrative Review; 2017
- Commerce/E&C - Utility Scale Wind Towers From the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2016
- USITC - Certain Infotainment Systems, Components Thereof, and Automobiles Containing the Same: Institution of investigation

## **Other Headlines**

### **12. Senators Move to Sink Trump's ZTE Deal**

Wall Street Journal.com, June 11 - In a rare rebuke of President Donald Trump, Republican Senate leaders set up a vote for this week that would undo the White House deal to revive Chinese telecommunications company ZTE Corp. Commerce Secretary Wilbur Ross was on Capitol Hill late Monday to lobby against the move. But Democratic and Republican lawmakers said that an agreement had been reached to wrap into the National Defense Authorization Act an amendment that would ban ZTE from buying components from U.S. suppliers. The Commerce Department in mid-April had banned exports to the company as punishment for breaking a settlement to resolve sanctions-busting sales to North Korea and Iran. In private meetings with Republicans last week, the president argued in favor of the

agreement, which saved ZTE by allowing the Chinese company to resume buying components from U.S. suppliers.

### **13. Who Wants to Do Business in North Korea?**

New York Times.com, June 12 - North Korea is one of the world's most isolated countries. It is ruled by an unpredictable dictator with his finger on the nuclear button. So, who's ready to do business there? Well, basically nobody. But leading up to President Trump's meeting in Singapore with Kim Jong-un, which concluded on Tuesday with a deal to keep talking, some intrepid businesses and investors began considering the possibilities. What happens if North Korea opens its economy, even just a little, giving global businesses a shot as East Asia's last untapped growth market? . . . Nevertheless, some in the business world find the idea intriguing. The North has a relatively young population and an underground entrepreneurial bent. It has a large amount of resources like rare earths and iron ore. And South Korea has offered the North a modernization plan that includes building railways and power plants.

### **14. Firearms Export Control Reform (ECR) – Opportunities for International**

Ammoland.com, June 11 - For U.S. companies that sell, or want to sell, aftermarket firearm components to foreign retail customers, Export Control Reform (ECR) will significantly expand their opportunities starting sometime in early 2019. Several features of the International Traffic in Arms Regulations (ITAR) severely constrain the international retail market today: Retailers must pay a \$2,250 annual registration fee in to export firearms, components, or certain accessories. Shipments of more than \$100 of firearm parts to foreign destinations require a license (the limit is \$500 for Canada). There is no exemption at all for major firearm parts, defined under the ITAR as barrels, cylinders, receivers (frames), or complete breech mechanisms. Exports of these items always require a license. ITAR licenses cost \$250 apiece, rendering most non-exempt retail sales uneconomical. ITAR licenses take too much time to prepare to be worthwhile for smaller sales. These "facts of life" for the international retail market in U.S. firearm parts will change under ECR in ways that will open doors for U.S. sellers and their international customers:

### **15. Federal Appeals Court Upholds Three Family Members' Convictions for S**

The Gazette.com, June 11 - A federal appeals court Monday upheld convictions of three Cedar Rapids family members for smuggling 252 guns among skid loaders bound for Lebanon in 2014 and 2015. U. S. Court of Appeals for the 8th Circuit affirmed sentences for Ali Al Herz, his brother Bassem Herz and Herz's wife, Sarah Zeaiter, for their part of smuggling guns from Cedar Rapids to Lebanon in shipping containers. The three pleaded, along with Al Herz's son, Adam Al Herz, 25, in 2016. . . . Ali Al Herz argued U.S. District Senior Judge Linda Reade, who was chief judge at the time, should not have imposed an enhancement regarding the number of guns. According to evidence, he told investigators there was an estimated 227 firearms in the March and August 2014 and May 2015 shipments, but he argued that didn't distinguish between ones he purchased and what others purchased and shipped. The appeals court found he was accountable for at least 200 guns.

### **16. Acacia Says ZTE Business to Remain Suspended until Ban Lifted**

Reuters.com, June 12 - Acacia Communications Inc's supply agreement with ZTE Corp will remain suspended until the U.S. Department of Commerce implements its recent settlement with the Chinese firm, the U.S. company said on Tuesday. The settlement, which was made public on Monday, would allow China's No. 2 telecommunications equipment maker to resume business with U.S. suppliers. But the ban on buying U.S. parts, imposed by the department in April, will not be lifted until ZTE pays fines and places \$400 million more in an escrow account in a U.S.-approved bank.

## **17. The Cybersecurity 202: Trump Administration Is Taking a Tougher Line**

Washington Post.com, June 12 - While President Trump has avoided criticizing Russia for cyberattacks on the United States and its allies, his administration is taking a harder line. The Treasury Department on Monday hit a group of Russian companies and business executives with economic sanctions for helping Russia's military and intelligence services launch cyberattacks against the West. The timing was especially striking just three days after Trump proposed allowing Russia back into the Group of Seven industrial nations. The sanctions highlight how even though Trump continues to rattle U.S. allies with his olive branches to Moscow, there's still a strong behind-the-scenes push in his administration to check Russian aggression in cyberspace. Rep. Joaquin Castro (D-Tex.), who serves on the House Foreign Affairs Committee, tweeted that although the administration had been "slow to roll out" sanctions against Russia that Congress approved last year, "they took an important step forward today on sanctioning a number of Russian entities connected to Russian intelligence services for cyber attacks on the U.S. and our allies."

## **18. Turkey Expected to Invest in a Wide Range of New Weaponry**

National Defense Magazine.org, June 12 - The Turkish government is making efforts to expand its domestic weapons development and promote exports, but will continue to rely on a variety of foreign-made systems to fill near-term needs over the next 10 years, said one expert June 12. The weapons market in Turkey is anticipated to be worth approximately \$6.7 billion by 2027, said Andrew Galer, weapons research and analysis team manager at Jane's by IHS Markit, in a briefing at the Eurosatory air and land defense conference outside Paris. Air defense and multi-target weapon systems are the major capability needs, Galer said. The country is also looking for guided projectiles, he added. The nation's ground-launched weapons market is estimated to be worth over \$3.4 billion by 2027, while the ground-to-ground precision-guided weapons market is estimated to grow from about \$99 million in 2018 to \$530 million. As Turkey faces the more immediate threat of short-range rockets and missiles fired from Syria potentially hitting its border towns, the country is looking for a robust counter-rocket, artillery and mortar, or C-RAM system, that would be similar to Israel's Iron Dome, he said.

## **19. European Defense Agency Chief Questions 'Unhealthy' Defense Trade w**

Defense news.com, June 11 - The head of the European Defense Agency said Europe must wean itself from U.S. high-tech weaponry, proposing that arms deals with Washington could decrease in an effort to achieve greater "strategic autonomy" for the continent. Jorge Domecq said the development would be a natural outcome of emerging efforts by the European Union to boost its military capabilities. "Does strategic autonomy mean less business in one direction?" he asked during a speech at the Eurosatory defense trade show in Paris. "Perhaps," he said, answering his own question before posing another: "But do we

want to continue a business relationship across the Atlantic which is undoubtedly unbalanced but unhealthy in terms of the defense capability of Europe?" Domecq indirectly criticized the Pentagon for plowing ahead with what he characterized as "disruptive technologies" that are no longer interoperable with European allies. The trend of European nations purchasing advanced U.S. capabilities should stop if the continent wants to stand on its own feet militarily, he argued.

## **20. EU Ready to Fund Some Projects to Speed Military Deployments**

New York Times.com & Associated Press, June 11 - The European Union could make billions of euros available to upgrade bridges and roads so its member countries and NATO are able to rapidly deploy troops in times of crisis, an EU official said Monday. The EU's European Commission has proposed a budget of 6.5 billion euros (\$7.7 billion) for certain infrastructure projects, Transport Commissioner Violeta Bulc told NATO ambassadors. The money can be used for "dual use" projects, such as increasing the weight capacity of a bridge to accommodate heavy military equipment if civilian freight trucks also would benefit from the work, Bulc said. The funds are part of broader aims to upgrade infrastructure, including ports and airports, and to cut customs and administrative red tape, which cause delays, increase costs and leave Europe more vulnerable to attack. NATO commanders are calling for the lifting of military transport barriers. Officers say it can take up to 30 days to get administrative clearance to move through Europe.

## **21. Harris Introduces New Narrowband Waveform for Coalition Forces**

National Defense Magazine.org, June 12 - Harris Communications has developed a new narrowband waveform for international and coalition forces that offers more efficiency and increased range while reducing latency, said one company official. The tactical networking waveform, dubbed TNW-75, provides a streamlined way of delivering data at the company level and below, said Jeff Kroon, director of engineering of global network products for Harris Communications. It was first announced June 11 at the biennial Eurosatory air and land defense conference outside of Paris. "We wanted to provide ... a combination of capabilities right in the middle of the network," he told National Defense. A wideband waveform is typically needed in order to service a large number of endpoints or nodes, he said. "What we found was that with many of our customers, there just weren't enough wideband frequencies to ... service a whole army, nor were the existing solutions resilient," he added. Many wideband waveforms aren't necessarily frequency-hopping, which helps to boost resiliency, he noted.

## **22. France Wants Germany to Join Forces on a Missile**

Defense news.com, June 12 - France will seek to persuade Germany to go ahead with a cooperative project for a new missile to arm the Tiger attack helicopter, rather than see Berlin opt for the Israeli Spike weapon. "A few weeks ago we were at the Berlin Air Show when we took a big step with the Future Air Combat System," French Armed Forces Minister Florence Parly said in response to a Defense News question at the Eurosatory trade show, which opened June 11. "And tomorrow, with the Germans, we will launch the future main battle tank. So we are moving ahead swiftly in Franco-German cooperation," she continued, adding that other programs are also being considered by European allies. Germany is close to pulling out of a planned Franco-German program for a new air-to-ground missile for the Tiger Mk3 modernization program, opting instead for the Israeli alternative, La Tribune



reported on its website. A meeting of French and German defense ministers is scheduled June 19, when Berlin's decision may be announced.

## **23. Commentary: Whatever Happens Next, the Trump-Kim Summit Is a Win**

Reuters.com, June 12 - In the end, diplomacy can work – as a process, not an event. There is no Big Bang theory of nuclear diplomacy. If no further progress is made toward peace on the Korean peninsula, all this – the back-and-forth, the Moon-Kim meetings, the Singapore summit itself – is at worst another good start that faded. It is more likely, however, a turning point. It is easy to announce a morning-after defeat for Trump: to criticize the agreement as vague and lacking in specific commitments regarding denuclearization. But those critics ignore Kim's moratorium on nuclear and ballistic missile testing, the return of American prisoners, the closing of a ballistic missile test site, and the shutting down of a major nuclear test facility without opening a new one. It is easy to forget that a few months ago North Korea was still testing nuclear devices to spark fears of a dark war. Calling the Singapore summit a failure in light of more detailed agreements and different efforts from the past ignores the reality that all of those past agreements failed.

## **Upcoming Export Control and Other Trade Compliance Conferences**

**June 14 - U.S. Dept. of Commerce/Bureau of Industry and Security (BIS) & The Houston District Export Council - Technology and Software Controls - Houston, Texas - Norris Conference Center, 816 Town & Country Blvd., Suite 210**

**June 14 - Massachusetts Export Center - Export Regulatory Compliance Update - 10:00 AM to 4:30 PM - Boston, Massachusetts - Foley Hoag Law Offices, Seaport West, 155 Seaport Boulevard**

**June 14 - National Defense Industries Association/Women in Defense - 2018 Women in Defense National Conference - Washington, DC - Washington Marriott Wardman Park Hotel**

**June 14 - American Bar Association/Section of International Law/Export Controls and Economic Sanctions Committee - International Investment in the U.S.: Are We Still Open for Business? 12:00 to 2:00 PM - Washington, DC - DC Bar Headquarters, 901 4th St., N.W.**

**June 17-19 - International Compliance Professionals Association (ICPA) - 2018 ICPA European Conference - Amsterdam - Holiday Inn Amsterdam**

**June 18-19 - American Conference Institute - 12th Advanced Forum on FCPA & Anti-Corruption for the Life Sciences Industry - New York - Park Lane Hotel**

**June 19-20 - American Conference Institute - 9th Advanced Forum on DCAA & DCMA Cost, Pricing, Compliance & Audits - Arlington, Virginia - Westin Crystal City**

**June 21 - American Bar Association/Section of International Law/Export Controls and Economic Sanctions Committee - Section 232 Cases: Protecting U.S. National Security or Risking International Trade Wars? - 12:00 to 2:00 PM - DC Bar Headquarters, 901 4th St., N.W.**

**June 26-27 - American Conference Institute - 9th Midwest Anti-Corruption Compliance Forum - Chicago - The Blackstone Hotel**

**June 27-28 - C5 Group - 12th International Conference on Anti-Corruption London - London - Venue TBA**

**June 28 - Massachusetts Export Center - International Letters of Credit Webinar - 11:00 AM to 12:30 PM EDT**

**July 10-11 - U.S. Dept. of Commerce/Bureau of Industry and Security (BIS) & Customs Brokers and Freight Forwarders Association of Charleston, S.C., Inc. - Complying with U.S. Export Controls - Charleston, South Carolina - Crown Plaza North Charleston Hotel**

**July 16-18 - Society for International Affairs - 2018 Summer Basics Conference - Washington, DC - Gaylord National Resort & Convention Center**

**July 25-26 - American Conference Institute - 9th Global Forum on Anti-Corruption Compliance in High Risk Markets - Washington, DC - Venue TBA**

**July 30-31 - National Customs Brokers & Forwarders Association of America, Inc. - GTEC - Global Trade Educational Conference 2018 - Dallas - Hilton Dallas Lincoln Center**

**Aug. 14-15 - U.S. Dept. of Homeland Security/U.S. Customs and Border Protection (CBP) - 2018 Trade Symposium - Atlanta - Marriott Marquis Hotel**

**Sept. 5 - IDEEA, Inc. - ComDef 2018 - Washington, DC - National Press Club - *Gary Stanley, Editor of Defense and Export-Import Update, will again moderate the panel "Export Control Update" at this annual conference for the defense industry.***

**Sept. 13-17 - International Compliance Professionals Association (ICPA) -2018 ICPA@SEA - Galveston, TX to Cozumel**

**Sept. 19-20 - SMi Group - Defence Exports 2018 - Rome - Crowne Plaza Rome St. Peter's Hotel & Spa - *Gary Stanley, Editor of Defense and Export-Import Update, is proud to be once again chairing this event and conducting a related Sept. 18 workshop on "Jurisdiction, Classification, and Licensing: How to Police Your U.S. Suppliers"***

**Oct. 1 - Chatham House (The Royal Institute of International Affairs) - Illicit Financial Flows 2018 - London - 10 St James's Square London SW1Y 4LE**

**Oct. 16-18 - Partnerships International, inc. - "Partnering for Compliance™" West 2018 - Fort Worth - Dallas-Fort Worth Marriott South Airport Hotel**

**Oct. 21-23 - International Compliance Professionals Association (ICPA) - 2018 ICPA Fall Conference - Grapevine, TX - Embassy Suites DFW Airport North**

**Nov. 8-9 - International Compliance Professionals Association (ICPA) - 2018 Annual Conference - Shanghai - Four Seasons Hotel**



**Nov. 27-30 - American Conference Institute - 35th International Conference on the Foreign Corrupt Practices Act - Washington, DC - Gaylord Natonal Resort & Convention Center**

We hope this update proves helpful. If you have questions about any of these developments, please do not hesitate to call us. If you received this free newsletter from a colleague or friend and would like to subscribe directly, please just e-mail your name, title, company, and e-mail address to [gstanley@glstrade.com](mailto:gstanley@glstrade.com).

Cordially yours,

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**From:** Paul, Joshua M <PaulJM@state.gov>  
**Sent:** Thursday, July 26, 2018 7:39 AM  
**To:** Fite, David (Foreign Relations)  
**Cc:** Miller, Michael F; Darrach, Tamara A; Oliver, Stacie (Foreign Relations); Edmund.Rice@mail.house.gov (edmund.rice@mail.house.gov); Jamie.mccormick@mail.house.gov; Bartley, Megan (Foreign Relations); Ricchetti, Daniel (Foreign Relations)  
**Subject:** RE: "Temporary Suspension"

Hi,

I suspect we'll end up at least touching on this topic again when we see you this morning, but regarding your below questions, you will understand that the clearance process does not imply who has a 'final say' on anything.

Josh

Official  
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov>  
Sent: Wednesday, July 25, 2018 7:49 PM  
To: Paul, Joshua M <PaulJM@state.gov>  
Cc: Miller, Michael F <Millermf@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>; Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov>; Edmund.Rice@mail.house.gov (edmund.rice@mail.house.gov) <edmund.rice@mail.house.gov>; Jamie.mccormick@mail.house.gov; Bartley, Megan (Foreign Relations) <Megan\_Bartley@foreign.senate.gov>; Ricchetti, Daniel (Foreign Relations) <Daniel\_Ricchetti@foreign.senate.gov>  
Subject: Re: "Temporary Suspension"

Which raises two interesting questions:

- 1) does State/L have the right to definitively interpret the ITAR or not regarding my first set of questions;
  - 2) regarding my second set of questions, does State, Justice, or both have the final say in what the settlement requires?
- Sent from my iPhone

On Jul 25, 2018, at 6:01 PM, Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>> wrote:  
Dear David,

It has been our aim to respond to your (and Ed's) questions today, but due in part to the interagency nature of this matter, I regret that we will not be able to do so.

Josh

Official  
UNCLASSIFIED

From: Fite, David (Foreign Relations) <David\_Fite@foreign.senate.gov<mailto:David\_Fite@foreign.senate.gov>>  
Sent: Wednesday, July 25, 2018 12:19 PM

To: Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>  
Cc: Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>; 'Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>' (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)' <edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>; 'Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>' <Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>>; Bartley, Megan (Foreign Relations) <Megan\_Bartley@foreign.senate.gov<mailto:Megan\_Bartley@foreign.senate.gov>>; Ricchetti, Daniel (Foreign Relations) <Daniel\_Ricchetti@foreign.senate.gov<mailto:Daniel\_Ricchetti@foreign.senate.gov>>  
Subject: RE: "Temporary Suspension"

Just so I know, will State answer these questions today?

From: Fite, David (Foreign Relations)  
Sent: Wednesday, July 25, 2018 10:52 AM  
To: 'Miller, Michael F (Millermf@state.gov<mailto:Millermf@state.gov>)' <Millermf@state.gov<mailto:Millermf@state.gov>>; 'Darrach, Tamara A' <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; 'Paul, Joshua M (PaulJM@state.gov<mailto:PaulJM@state.gov>)' <PaulJM@state.gov<mailto:PaulJM@state.gov>>  
Cc: Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>; 'Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>' (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)' <edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>; 'Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>' <Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>>; Bartley, Megan (Foreign Relations) <Megan\_Bartley@foreign.senate.gov<mailto:Megan\_Bartley@foreign.senate.gov>>; Ricchetti, Daniel (Foreign Relations) <Daniel\_Ricchetti@foreign.senate.gov<mailto:Daniel\_Ricchetti@foreign.senate.gov>>  
Subject: RE: "Temporary Suspension"

To put in the context of the settlement agreement: how long does the agreement, as a matter of law and strict interpretation, require the 126.2 suspension to remain in effect? The antecedent phrase in the agreement states, "while the above-referenced rule is in development"; if State understands or interprets the referenced "rule" as the CAT I-III regulatory change in process (and is that correct), what interpretation is State using for what "while" means? For the length of duration of the development of the CAT I-III rule - which presumably extends to the end of the formal 38(f) process? Or could "while" mean "during", a period of time not necessarily terminating with the legal completion of the CAT I-III rule process?

From: Fite, David (Foreign Relations)  
Sent: Wednesday, July 25, 2018 9:20 AM  
To: Miller, Michael F (Millermf@state.gov<mailto:Millermf@state.gov>)' <Millermf@state.gov<mailto:Millermf@state.gov>>; 'Darrach, Tamara A' <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Paul, Joshua M (PaulJM@state.gov<mailto:PaulJM@state.gov>)' <PaulJM@state.gov<mailto:PaulJM@state.gov>>  
Cc: Oliver, Stacie (Foreign Relations) <Stacie\_Oliver@foreign.senate.gov<mailto:Stacie\_Oliver@foreign.senate.gov>>; Edmund.Rice@mail.house.gov<mailto:Edmund.Rice@mail.house.gov>' (edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>)' <edmund.rice@mail.house.gov<mailto:edmund.rice@mail.house.gov>>; Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>' <Jamie.mccormick@mail.house.gov<mailto:Jamie.mccormick@mail.house.gov>>; Bartley, Megan (Foreign Relations) <Megan\_Bartley@foreign.senate.gov<mailto:Megan\_Bartley@foreign.senate.gov>>; Ricchetti, Daniel (Foreign Relations) <Daniel\_Ricchetti@foreign.senate.gov<mailto:Daniel\_Ricchetti@foreign.senate.gov>>

Subject: "Temporary Suspension"

How long is "temporary" under ITAR 126.2? Is there a minimum period of time, or is it completely at the discretion of the PM DAS?

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**From:** Marquis, Matthew R <MarquisMR@state.gov>  
**Sent:** Wednesday, May 16, 2018 4:48 PM  
**To:** Steffens, Jessica L; PM-Strategy  
**Cc:** PM-CPA; Brown, Stanley L; O'Keefe, Kevin P; Miller, Michael F; Mak, Daniella; Martin, Davette T; Dudding, Maria; Litzenberger, Earle D (Lee); Nute, Kathryn M  
**Subject:** CPA Media Monitoring: 16 May 2018

[cid:image001.png@01D29279.128F6050]  
Alerts for 16 May 2018

"National Assembly declines approval for Buhari's \$496m Tucano jet spending"<<https://www.businessdayonline.com/national-assembly-declines-approval-buharis-496m-tucano-jet-spending/>>, Buhari explained that Nigeria had been in discussions with the US government for a number of years for the purchase of the Super Tucano Aircraft under a direct government-to-government arrangement, adding that the US Government recently granted the approval with a deadline within which part payment must be made, otherwise the contract would elapse.

"Bulgaria government approves plan to buy fighter jets, armored vehicles"<<https://www.reuters.com/article/us-bulgaria-defence/bulgaria-government-approves-plan-to-buy-fighter-jets-armored-vehicles-idUSKCN1IH11B>>, Under the plan, Bulgaria would acquire at least eight jets in a 1.8 billion levs (\$1.08 billion) deal to improve its compliance with NATO standards and spend 1.46 billion levs on armored vehicles, Defense Minister Krasimir Karakachanov said.

"Export reform triggers gun, ammo control shift"<<https://www.americanshipper.com/main/full/export-reform-triggers-gun-ammo-control-shift-71392.aspx>>, Firearms and related articles inherently for military end use or that aren't widely available in retail outlets will remain subject to State Department export licensing controls, a State Department spokesperson said.

"New Trump Regs Would Alleviate Registration Costs for Gunsmiths, FFLs"<<https://www.gunsamerica.com/blog/trump-reg-registration-costs-ffl/>>, Fully automatic weapons will remain under the ITAR, but so will suppressors, suppressor parts, and any related services. Magazines that have a capacity in excess of 50 rounds will also remain on the list, and companies that manufacture these accessories will be required to register under the ITAR.

"Trump Administration Publishes Proposed Rule to Remove a Variety of Firearms from ITAR"<<http://www.recoilweb.com/trump-administration-publishes-proposed-rule-to-remove-a-variety-of-firearms-from-itar-137327.html#ixzz5FhJO4Cu7>>, It appears that smaller manufacturers of firearms and gunsmiths will see some relief from the burdensome obligations of ITAR. However, the boutique silencer manufacturers will still need to pay their ITAR registration (a hefty \$2,500 each year) along with ensuring their compliance with the often confusing requirements.

"Good News for Gunsmiths - Major ITAR Changes Coming"<<http://bulletin accurateshooter.com/2018/05/good-news-for-gunsmiths-major-itar-changes-coming/>>, Generally speaking, it appears that the proposed rule changes will make Federal law more tolerant, so that producers of small firearms accessory parts would no longer have to register as ITAR manufacturers (with hefty annual fees).

"State Department releases draft of relaxed export rules"<<http://www.guns.com/2018/05/16/state-department-releases-draft-of-relaxed-export-rules/>>, Instead, the products will transfer to the EAR - and undergo far less regulatory scrutiny, critics fear.

"China's Play for Bases in the Indian Ocean"<<https://www.maritime-executive.com/editorials/china-s-play-for-bases-in-the-indian-ocean#gs.4RSSd30>>, China is moving to establish a network of naval and air bases in the Indian Ocean to support its growing strategic imperatives in the region. This likely includes plans to build bases in the eastern Indian Ocean.

"TNI receives eight Apache attack helicopters"<<https://en.antaranews.com/news/115738/tni-receives-eight-apache-attack-helicopters>>, The helicopters were symbolically handed over by Defense Minister Ryamizard Ryacudu to TNI Commander's Logistics Assistant Rear Admiral Bambang Nariyono during a ceremony at the Army Air Force Base at the Ahmad Yani Airport in Semarang also attended by some high-ranking officials of the army and US Deputy Ambassador to Indonesia Erin Elizabeth McKee.

"Re-Orienting American Sea Power for the China Challenge"<<https://warontherocks.com/2018/05/re-orienting-american-sea-power-for-the-china-challenge/>>, To better aid its allies and partners, Washington should consider expanding its catalogue of peacetime maritime operations. Passive presence has proved inadequate. In some cases, American policymakers may need to place U.S. forces on the front lines, where they can play a more direct role helping other states counter China's seaward expansion.

"Ted Deutch calls out Trump administration over push to ease exporting of guns"<<http://floridapolitics.com/archives/263842-deutch-ease-exporting-guns>>, The move was made to help boost trade, but Deutch says it will make other countries less safe. He targeted the National Rifle Association and its new president in a statement condemning the move.

"DDTC's Buzzer Beater to Save Brokering Authority over Firearms Misses the Hoop"<<https://www.exportlawblog.com/archives/9169>>, The Brokering Amendment provides authority to DDTC to register brokers and license brokering transactions. The problem is that it authorizes this only with respect to items on the USML. It makes no reference to the USMIL and provides no authority to regulate brokers of, and brokering transactions related to, items on the USMIL.

"Declaring India 'Major Defence Partner' opens door for increased cooperation: US official"<<https://economictimes.indiatimes.com/news/defence/declaring-india-major-defence-partner-opens-door-for-increased-cooperation-us-official/printarticle/64188574.cms>>, With a mutual desire for global stability and support for a rules-based international order, India and the US have an increasing convergence of interests, including maritime security and domain awareness, counter-piracy, countering terrorism, humanitarian assistance, and coordinated responses to natural disasters and transnational threats, he said.

"S. Korea, US holds new round of talks on defense cost"<[https://www.koreatimes.co.kr/www/nation/2018/05/356\\_248953.html](https://www.koreatimes.co.kr/www/nation/2018/05/356_248953.html)>, South Korea has proposed that the system of cost provision be changed so that it covers expenditures after they occur, rather than agreeing to pay a certain amount in advance — in order to improve transparency.

"Trump to Alleviate ITAR Obligations for Firearm and Ammunition Manufacturers and Gunsmiths"<<https://blog.princelaw.com/2018/05/15/trump-to-alleviate-itar-obligations-for-firearm-and-ammunition-manufactures-and-gunsmiths/>>, While the proposed changes are monumental, as described below, there are concerns regarding the proposed regulatory changes, which necessitate that those effected obtain competent counsel to timely file comments for DDTC's consideration.

"CMAA on challenges deminers face"<<https://www.khmertimeskh.com/50490227/cmaa-on-challenges-deminers-face/>>, On behalf of the government, I urge the US to continue to support demining in the northern parts of the country because 2.7 million tonnes were dropped there and we need them to be accountable for what transpired.

"US Easing of Gun Export Controls Could Send New Wave of Arms to LatAm"<<https://www.insightcrime.org/news/analysis/easing-us-firearm-export-controls-exacerbate-violence-mexico/>>,

US President Donald Trump has proposed a new reform that would ease firearm export controls for US weapons manufacturers, which could increase the already high number of US-sourced firearms used in criminal activities in Latin America.

"Trump's Plan for Selling Weapons to the Middle East" <<http://nationalinterest.org/feature/trumps-plan-selling-weapons-the-middle-east-25839?page=show>>, In the effort to increase sales, President Trump is actively urging foreign leaders he meets to buy U.S.-made military systems and equipment. He also signed on April 19 a National Security Presidential Memorandum approving a new Conventional Arms Transfer (CAT) policy designed to ease export restrictions.

"Lawmakers seek \$7.5 billion to counter China's rise" <[https://www.defensenews.com/congress/2018/05/15/lawmakers-seek-75-billion-to-counter-chinas-rise/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=EBB%205.16.18&utm\\_term=Editorial%20-%20Early%20Bird%20Brief](https://www.defensenews.com/congress/2018/05/15/lawmakers-seek-75-billion-to-counter-chinas-rise/?utm_source=Sailthru&utm_medium=email&utm_campaign=EBB%205.16.18&utm_term=Editorial%20-%20Early%20Bird%20Brief)>, The U.S. should forge stronger military ties with Taiwan and add \$7.5 billion in national defense spending in the Pacific region in order to counter Chinese influence in the region, according to a legislative proposal from four U.S. senators.

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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**From:** McKeeby, David I <McKeebyDI@state.gov>  
**Sent:** Wednesday, February 07, 2018 10:20 AM  
**To:** Marquis, Matthew R; PM-DTCP-RMA; PM/RSAT – FMS Team; PM/RSAT Team Leaders  
**Cc:** PM-CPA; PM/SA Security Assistance Office; Miller, Michael F; O'Keefe, Kevin P  
**Subject:** CPA Media Monitoring: UPDATE: US News & World Report: Trump to Speed Up U.S. Arms Sales by Reducing Oversight, Sources Say

[cid:image001.png@01D29279.128F6050]

Trump to Speed Up U.S. Arms Sales by Reducing Oversight, Sources Say

The White House reportedly plans to change a little-known government procedure that will accelerate some weapons sales abroad.

By Paul D. Shinkman, Senior National Security Writer U.S. News & World Report Feb. 5, 2018, at 4:40 p.m.

[Note: PM/CPA reached out to the reporter on this story yesterday to request an update; talking with him on background to add a bit more context and delivering cleared lines on Cats I-III and ATI. Major additions highlighted below.]

The White House is pushing to implement as early as March a plan that would make it easier to sell some weapons to foreign partners through a process some say eliminates key regulatory and congressional oversight, government officials and staffers tell U.S. News.

The proposal, first reported by Reuters in September, would affect the sale of small weapons and ammunition, delighting proponents who say the current process is too cumbersome while raising concerns among some experts about the risk of deadly arms falling into the wrong hands.

The new rules would transfer the oversight for the U.S. to sell some weapons like rifles and shotguns, as well as the ammunition for them, from the State Department to the Commerce Department, which some experts and officials say is far less prepared than its internationally oriented counterpart to vet potential foreign buyers.

The initiative – first considered under the Obama administration but reportedly nixed in the wake of the 2012 mass shooting in Aurora, Colorado – is part of broader efforts by the White House revealed in recent months to accelerate U.S. arms sales, even encouraging Defense Department officials to act as pitchmen abroad. It hopes to speed up a process that top officials, including Defense Secretary Jim Mattis, say is a key element for strengthening America's partnerships abroad.

But what proponents tout as the beginning of long-awaited changes to a cumbersome process that can at times take years is seen by other experts as a dangerous precedent that would improve the chances of U.S. weaponry being misused or falling into the hands of groups like al-Qaida or the Islamic State group.

"It increases the risk," says Rachel Stohl, director of the Stimson Center's Conventional Defense Program. "A policy focused on short-term benefit increases the risk of long-term civilian harm, as well as the negative consequences of those transfers down the road."

Administration officials push back on the criticism and point to Commerce's history in policing the sale of commercial items abroad like hunting shotguns. They say the changes do not apply to uniquely military weapons, that they apply to

items that are already commercially available, and that items currently under State jurisdiction would be subject to new controls within Commerce that include reviews by State and other federal agencies, requirements for getting export licenses and monitoring commercial entities involved in the sales.

"This administration is putting greater focus on ensuring decisions are not delayed unnecessarily, and that when the U.S. government decides a sale is in our national security interest, we will advocate for and follow through with that sale as effectively as possible," says an administration official, who like others for this story spoke on the condition of anonymity. "What will not change is that national security, foreign policy and human rights considerations will remain central to the arms transfer review and approval process and, of course, the administration will continue to consult Congress on major arms sales and follow applicable law."

The changes would benefit America's allies abroad by expanding their security capabilities, the official says, and allow U.S. officials who specialize in preventing malevolent actors from accessing American weapons to spend less time focusing on sales of less harmful equipment to trusted partners. The administration expects the changes will make regulations easier for companies to follow, generate jobs and create more public advocacy for foreign partners to buy American products.

At the center of the change is a document known as the U.S. Munitions List, which puts into categories all armaments the U.S. sells abroad, from pistol bullets (Category 3) to sophisticated fighter jets like the F-35 Joint Strike Fighter (Category 8). Sales for weapons on that list are governed by the International Traffic in Arms Regulations and ultimately overseen by the State Department, which has an established process of weighing the effect of a particular sale to a particular country.

The Trump administration is set to transition some weapons from categories one, two and three of the munitions list to a comparable list overseen by the Commerce Department known as the Commerce Control List, traditionally comprised of benign materiel.

State and Commerce have submitted proposed rule changes to the White House's Office of Management and Budget, which is currently working with the National Security Council and other federal agencies to ensure "U.S. industries have every advantage in the global marketplace, while at the same time ensuring the responsible export of arms," an official says. Multiple current and former officials, as well as experts familiar with the White House's intentions, say staffing shortages at the executive branch and inexperience among those trying to enact the changes may delay them.

The diplomatic and security concerns facing the State Department for items on its list are varied and myriad. It would have to ensure, for example, that selling F-16s to Bahrain wouldn't undercut Israel's qualitative military edge that the U.S. by policy ensures. In another example, overseers might question selling sidearms to Turkey's presidential bodyguard forces merely for the optics of arming an organization accused of having assaulted protesters outside the Turkish embassy in Washington, D.C. Or, concerns might arise over providing advanced weapons to Iraq for its army's soldiers, who in 2014 amid the initial onslaught of the Islamic State group largely abandoned their posts and allowed for the terrorist group to capture U.S. supplied weapons and use them against U.S. forces that later deployed in response.

The complexity of weighing these concerns creates a process that can last years and is further exacerbated by set policies that all sales that meet a certain price threshold must be submitted to the speaker of the House and the Senate Foreign Relations Committee for approval.

Congressional procedures also allow for any sitting senator to stall a potential deal for weapons on the U.S. Munitions List, as Rand Paul, the Kentucky Republican, and Chris Murphy, the Connecticut Democrat, did in July after learning of a potential sale to Saudi Arabia.

These same safeguards are different for the list administered by the Commerce Department, where the stated role is to create jobs and promote economic growth through trade.

Specialists in Congress' traditional oversight process say the White House could, technically, clear everything off the State Department list and move it to Commerce, though such a bold move, particularly for more advanced weaponry, would enrage the legislature and likely prompt new oversight laws.

"The Congress will never allow its oversight to be impacted by moving these pieces of major defense equipment onto some other list that's not as closely inspected as the munitions list," says Jim Townsend, a former Defense Department specialist for foreign military sales. Townsend, now with the Center for a New American Security, says defense contractors and private manufacturers want to see an amended munitions list that makes it easier for them to sell large items overseas, like aircraft and missile systems. But, he says, "that's just not going to happen with moving small arms off the munitions list."

A small move to streamline the process, however, already has support on the Hill.

"It has been something I have talked about for at least a couple years," House Armed Services Committee chairman Mac Thornberry said in January, when asked about the White House's intention to improve the arms sales process. "There will be a proposed sale that just hangs out there, for months if not years."

The Texas Republican says congressional dysfunction contributes to the cumbersome nature of approving sales and adds he has been working with other representatives toward streamlining it.

It's a sentiment echoed by others with deep experience in America's military and foreign affairs – two realms that have increasingly overlapped during the Trump administration.

Mattis touted the benefits of selling arms to allies during a January trip to Indonesia and Vietnam – countries with which the U.S. does not have formal alliances but seeks greater partnerships. Both of those countries also buy military equipment from Russia and China, spurring American leaders to try to beat the competition to secure greater relations.

"It's how we work together," Mattis said, also citing joint military exercises and shared training opportunities when asked about the potential for increased sales. He added that the purpose of this trip was to begin working out the procedures for greater cooperation.

It's a common refrain from proponents of arms sales and a key element to countries' joining U.S.-led alliances like NATO: The more that partner countries share common equipment, the more they can cooperate together on exercises or, if it comes to it, in war.

Yet others believe the importance of arms sales in a bilateral relationship is overstated.

"I don't think that it's a necessarily a good thing, especially with good partners," says Dan Mahanty, director of the Center for Civilians in Conflict's U.S. Program. "If the basis is or partially is in transfers, then disruptions to it, whether by misuse or other reasons, suddenly affects the relationship."

"I wonder whether we want our diplomacy so susceptible to that kind of risk."

Mahanty and Stimson's Stohl co-authored a study that came out earlier this month documenting U.S. arms sales and questioning the current trends. Neither of them question that arms sales can be a useful tool or a boon to U.S. businesses, but they express concern that the process of deciding whether to disperse U.S. weapons abroad has become inadequate.

"That's the issue: How do we ensure that not only you apply the policy and the regulations and the law to the letter, but how do you ensure it's really in the strategic interest of the U.S.?" Stohl says.

Optimism that the process will change has already begun to take hold in the government, particularly among those who carry out American arms sales abroad.

"We want this," said one U.S. official, speaking on the condition of anonymity when asked about the proposed increase in tempo for the full spectrum of U.S. arms sales to countries in Southeast Asia. While the White House through the Defense Department has not yet offered new guidance for military sales offices worldwide, the official expects they will become much busier in the near future. "If certain things are relaxed, it could be huge in that now we're permitted to offer more items."

And the companies that produce and sell military arms and equipment are also feeling bullish about the new potential business.

"At this point, the industry expects there will be fairly robust sales," says Loren Thompson, a defense private industry analyst and commentator and chief operating officer at the Lexington Institute. "I think this is a real shift."

Yet others believe the new rules are indicative of a government that increasingly relies on the military to conduct diplomacy.

"It's militarizing our foreign policy, is basically what it's doing," Stohl says. "Having the defense relationship is not equal to a diplomatic or political one."

Updated on Feb. 6, 2018: This article has been updated with responses from an administration official.

Link: <https://www.usnews.com/news/world/articles/2018-02-05/trump-to-speed-up-us-arms-sales-by-reducing-oversight-sources-say?int=news-rec>

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David I. McKeeby

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From: Marquis, Matthew R

Sent: Tuesday, February 06, 2018 10:11 AM

To: PM-DTCP-RMA; PM/RSAT – FMS Team; PM/RSAT Team Leaders

Cc: PM-CPA; PM/SA Security Assistance Office; Miller, Michael F; O'Keefe, Kevin P

Subject: CPA Media Monitoring: US News & World Report: Trump to Speed Up U.S. Arms Sales by Reducing Oversight, Sources Say

[cid:image001.png@01D29279.128F6050]

Trump to Speed Up U.S. Arms Sales by Reducing Oversight, Sources Say By Paul Shinkman  
5 February 2018

The White House is pushing to implement as early as March a plan that would make it easier to sell some weapons to foreign partners by eliminating key regulatory and congressional oversight, government officials and staffers tell U.S. News.

The proposal, first reported by Reuters in September, would affect the sale of small weapons and ammunition, delighting proponents who say the current process is too cumbersome while raising concerns among some experts about the risk of deadly arms falling into the wrong hands.

The new rules would transfer the oversight for the U.S. to sell some weapons like rifles and shotguns, as well as the ammunition for them, from the State Department to the Commerce Department, which is far less prepared than its internationally oriented counterpart to vet potential foreign buyers.

The initiative – first considered under the Obama administration but reportedly nixed in the wake of the 2012 mass shooting in Aurora, Colorado – is part of broader efforts by the White House revealed in recent months to accelerate U.S. arms sales, even encouraging Defense Department officials to act as pitchmen abroad. It hopes to speed up a process that top officials, including Defense Secretary Jim Mattis, say is a key element for strengthening America's partnerships abroad while also generating revenue for U.S. businesses.

But what proponents tout as the beginning of long-awaited changes to a cumbersome process that can at times take years is seen by other experts as a dangerous precedent that would improve the chances of U.S. weaponry being misused or falling into the hands of groups like al-Qaida or the Islamic State group.

"It increases the risk," says Rachel Stohl, director of the Stimson Center's Conventional Defense Program. "A policy focused on short-term benefit increases the risk of long-term civilian harm, as well as the negative consequences of those transfers down the road."

The White House and Office of Management and Budget, which would oversee the proposed rule changes, did not return multiple requests for comment. Multiple current and former officials, as well as experts familiar with the White House's intentions, say staffing shortages at the executive branch and inexperience among those trying to enact the changes may delay them.

At the center of the change is a document known as the U.S. Munitions List, which puts into categories all armaments the U.S. sells abroad, from pistol bullets (Category 3) to sophisticated fighter jets like the F-35 Joint Strike Fighter (Category 8). Sales for weapons on that list are governed by the International Traffic in Arms Regulations and ultimately overseen by the State Department, which has an established process of weighing the effect of a particular sale to a particular country.

The Trump administration is set to transition some weapons from categories one, two and three of the munitions list to a comparable list overseen by the Commerce Department known as the Commerce Control List, traditionally comprised of benign materiel and not subject to the same safeguards as the State Department's version.

The diplomatic and security concerns facing the State Department for items on its list are varied and myriad. It would have to ensure, for example, that selling F-16s to Bahrain wouldn't undercut Israel's qualitative military edge that the U.S. by policy ensures. In another example, overseers might question selling sidearms to Turkey's presidential bodyguard forces merely for the optics of arming an organization accused of having assaulted protesters outside the Turkish

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Link: <https://www.usnews.com/news/world/articles/2018-02-05/trump-to-speed-up-us-arms-sales-by-reducing-oversight-sources-say>

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**From:** Davidson-Hood, Simon <DavidsonHoodS@state.gov>  
**Sent:** Wednesday, July 25, 2018 1:17 PM  
**To:** Paul, Joshua M  
**Subject:** RE: CPA Media Monitoring: The Sun: WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons

[REDACTED]

Best,  
SDH

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From: Paul, Joshua M  
Sent: Wednesday, July 25, 2018 12:57 PM  
To: Marquis, Matthew R <MarquisMR@state.gov>; PM-DTCP-RMA <PM-DTCP-RMA@state.gov>; Legal-PM-DL <Legal-PM-DL@state.gov>  
Cc: PM-CPA <PM-CPA@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Miller, Michael F <MillerMF@state.gov>  
Subject: RE: CPA Media Monitoring: The Sun: WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons

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Sent: Wednesday, July 25, 2018 12:56 PM  
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Subject: CPA Media Monitoring: The Sun: WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons

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WORLD WAR 3D How the rise of 'ghost guns' – which anyone can print in their own home – could flood Europe with lethal, undetectable weapons By George Harrison  
25 July 2018

MADE from the same plastic as LEGO bricks, this handgun looks more like a toy than a lethal weapon... but don't be fooled.

"The Liberator", as it's been named, is a fully-functioning gun which can be 3D-printed at home and used to fire real bullets.

Alarmingly, all it takes is an instruction manual download, a 3D printer and a couple of hours.

Then you'll end up with an untraceable firearm dubbed a "ghost gun" which can fire up to ten shots before the plastic barrel breaks down - not that it matters when you can just print a replacement.

Made by 'one of the most dangerous men in the world'

The gun is the brainchild of a Texan anarchist called Cody Wilson, a law-school dropout who has been described by gun control campaigners as one of the most dangerous men in the world.

But to his opponents' dismay, the 30-year-old recently won a landmark legal battle on free-speech grounds for the right to share the blueprints for The Liberator online. So now, anyone can print their own arsenal without leaving the house.

The homemade gun blueprints were briefly made public in 2013, and stayed online for two days before the US government intervened and blocked the files from being shared.

But thanks to Wilson's legal victory, from next week, they'll be allowed to go back online.

There are fears this could spark a wave of DIY guns springing up across Europe.

Homemade guns on Britain's streets

Tyler Koslow, editor at 3D printing magazine All3DP.com, told Sun Online: "The recent court settlement regarding 3D printable gun models will have a sizeable impact on the world, particularly in countries with strict gun control laws.

"Back when the first gun model was made public, three of the top five countries to download the model included Spain, Germany, and the UK. As a result, it will now be up to other countries to prevent 3D printable gun models from getting in the hands of their citizens."

Guns that build themselves

In America, it's fine to build guns for your own personal use, although the difficulties and costs of crafting guns in garages has limited this to a hobby for only the most dedicated gun-nuts.

These guns are made entirely of plastic apart from a metal firing pin and an additional sheet of metal - which Wilson was required by law to add so the weapon would still set off metal detectors.

The printing process works by dripping tiny beads of hot plastic on top of one another, following a pattern laid out by the blueprint diagram.

If you have a 3D printer - priced between £1000-£3000 - and access to the web, you'll be able to download the file, press start and let the gun build itself.

The age of the downloadable gun has begun

At the moment, it's not practical or cost-effective for most Americans to print their own guns at home, owing to the high cost of 3D printers and the relatively low quality of plastic guns.

Instead, most will just buy a conventional handgun for greater power, accuracy and durability.

But in Britain, tough firearms restrictions mean 3D printing offers a viable way to get hold of illegal weapons.

Gill Marshall-Andrews, chair of the Gun Control Network, told Sun Online: "An American is already 120 times more likely to be killed with a gun than a person living in the UK.

"The ability to download 3D plans and print a gun can only make matters worse."

100,000 downloads

The Liberator's blueprints were first posted online by Wilson back in 2013 when the gun was developed.

At the time, the State Department was concerned that citizens in other countries (like the UK) would end up downloading the designs and getting their own guns illegally.

So the US government blocked the files - but they had already been downloaded over 100,000 times and picked up by a slew of pirate websites.

Build your own battle rifle

Normally, Americans would need to pass a background check before they can buy a gun, but freely-available blueprints for 3D-printed weapons could offer a way to bypass this law.

And Wilson doesn't intend to stop at DIY plastic pistols.

The anarchist wants to develop more powerful printable weapons, including battle rifles, and also make them available online.

It's also likely that fellow gun enthusiasts will devise and share their own blueprints for different 3D-printed weapons, safe in the knowledge that doing so doesn't break any laws.

Now the starting gun has fired on the age of downloadable weapons, the DIY handgun may turn out to be just the beginning.

Link: <https://www.thesun.co.uk/news/6850692/ghost-guns-3d-print/>

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Matthew Marquis

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**From:** Jim Bartlett, Full Circle Compliance <jebartlett@fullcirclecompliance.eu>  
**Sent:** Tuesday, June 12, 2018 3:08 PM  
**To:** pauljm@state.gov  
**Subject:** 18-0612 Tuesday "Daily Bugle"

Tuesday, 12 June 2018

The Daily Bugle is a free daily newsletter from Full Circle Compliance, containing changes to export/import regulations (ATF, DOE/NRC, Customs, NISPOM, EAR, FACR/OFAC, FAR/DFARS, FTR/AES, HTSUS, and ITAR), plus news and events. Subscribe here [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA9pbpyRpmDa4PPOHKkBML4PkreZ5upYIVxmb3HY9I9ufz29kV7d0UFbxrjf\_mcFtjmFvH1Y5D-\_CPk4F9Ki3YZEp19V85XUxwW54TMG-DEa4A-L4SvMxRqGIH1b7cXZsMPS9pt3VlgDjP2xTCnJoEq1IX90orm-8pFsICDCwF&c=NBIfOHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==] for free subscription. Contact us [mailto:advertising@fullcirclecompliance.eu] for advertising inquiries and rates.

#### ITEMS FROM FEDERAL REGISTER

1. President Continues National Emergency With Respect to Belarus
2. DHS/CBP Implements Mandatory Air Cargo Advance Screening, Program
3. State Seeks Comments on DSP-5, DSP-61, DSP-85, DSP-73, DSP-6, DSP-62, DSP-74, and DSP-83

#### OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions
2. Commerce/BIS Announces ZTE Settlement
3. State/DDTC: (No new postings.)
4. UK Introduces New Merger and Takeover Rules

#### NEWS

1. Fortune: "Senate Moves to Block Trump's Settlement with China's ZTE, a 'Personal Favor' to President Xi Jinping"
2. The Gazette: "Federal Appeals Court Upholds 3 Family Members' Convictions for Smuggling Guns to Lebanon"
3. Guns.com: "Proposed Export Reform Will Boost International Gun Sales, Industry Expects"

4. International Financial Law Review: "Asian Businesses Face Export Control, Sanction Compliance Headaches"
5. South China Morning Post: "ZTE to Replace Board, Fire Senior Management Under U.S. Deal"

#### COMMENTARY

1. T.B. McVey, C.R. Webb & C.E. James, Jr.: "Export Control Amendments Proposed for Commercial Firearms, Ammunition and Related Products"
2. Xiaomeng Lu: "What Chinese Companies Can Learn From ZTE's Mistakes"

#### EDITOR'S NOTES

1. Bartlett's Unfamiliar Quotations
2. Are Your Copies of Regulations Up to Date? Latest Amendments: ATF (15 Jan 2016), Customs (12 Jun 2018), DOD/NISPOM (18 May 2016), EAR (6 Jun 2018), FACR/OFAC (19 Mar 2018), FTR (24 Apr 2018), HTSUS (8 Jun 2018), ITAR (14 Feb 2018)
3. Weekly Highlights of the Daily Bugle Top Stories

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#### ITEMS FROM TODAY'S FEDERAL REGISTER

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1. President Continues National Emergency With Respect to Belarus
(Source: Federal Register [12 Jun 2018.) [Excerpts.]
83 FR 27287: Notice of June 8, 2018: Continuation of the National Emergency with Respect to the Actions and Policies of Certain Members of the Government of Belarus and Other Persons to Undermine Democratic Processes or Institutions of Belarus
On June 16, 2006, by Executive Order 13405, the President declared a national emergency pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and policies of certain members of the Government of Belarus and other persons to undermine Belarus's democratic processes or institutions, manifested in the fundamentally undemocratic March 2006 elections; to commit human rights abuses related to political repression, including detentions and disappearances; and to engage in public corruption, including by diverting or misusing Belarusian public assets or by misusing public authority.
The actions and policies of certain members of the Government of Belarus and other persons continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, the national emergency declared on June 16, 2006, and the measures adopted on that date to deal with that emergency, must continue in effect beyond June 16, 2018. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13405. ...

[Presidential Signature.]

THE WHITE HOUSE,

June 8, 2018.

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2. DHS/CBP Implements Mandatory Air Cargo Advance Screening, Program

(Source: Federal Register [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49Ic89KF7e_YF60wHF5IK5B6SLkuB7auSBjwhPCc8gtULUy6-XTZ1ayp4Zdr0AlOcNnl97MPcLtrvul3r5eK1jPEG4QAcQJD3XEhuQGq3rBUFIUA6Blz1duP9riaPuOTrwBl1rZegOhmyFHS553Nw0fqxNQWtSr3U13MUfO6mXTZqqxSLCEGyc=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6IcxITCWQZI5UwLfoXdA==], 12 Jun 2018.) [Excerpts.]

83 FR 27380-27407: Air Cargo Advance Screening (ACAS); Final Rule

* AGENCY: U.S. Customs and Border Protection, DHS.

* ACTION: Interim final rule; request for comments.

* SUMMARY: To address ongoing aviation security threats, U.S. Customs and Border Protection (CBP) is amending its regulations pertaining to the submission of advance air cargo data to implement a mandatory Air Cargo Advance Screening (ACAS) program for any inbound aircraft required to make entry under the CBP regulations that will have commercial cargo aboard. The ACAS program requires the inbound carrier or other eligible party to electronically transmit specified advance cargo data (ACAS data) to CBP for air cargo transported onboard U.S.-bound aircraft as early as practicable, but no later than prior to loading of the cargo onto the aircraft. The ACAS program enhances the security of the aircraft and passengers on U.S.-bound flights by enabling CBP to perform targeted risk assessments on the air cargo prior to the aircraft's departure for the United States. These risk assessments will identify and prevent high-risk air cargo from being loaded on the aircraft that could pose a risk to the aircraft during flight.

* DATES:

- Effective date: This interim final rule is effective June 12, 2018.

- Comment date: Comments must be received by August 13, 2018. ...

* SUPPLEMENTARY INFORMATION: ...

I. Public Participation ...

II. Executive Summary ...

III. Background and Purpose ...

A. Current Regulatory Requirements ...

1. CBP Regulatory Requirements ...

2. TSA Requirements ...

B. Air Cargo Security Risks ...

C. ACAS Pilot ...

IV. Mandatory ACAS Program ...

A. New 19 CFR 122.48b, Air Cargo Advance Screening (ACAS) ...

B. Eligible ACAS Filers ...

C. Time Frame for Filing ACAS Data ...

D. ACAS Data ...

1. ACAS Data Definitions ...

2. Mandatory ACAS Data ...

3. Conditional ACAS Data: Master Air Waybill Number ...

4. Optional ACAS Data ...

E. Filing and Updating the ACAS Data ...

- F. ACAS Referrals ...
- G. Do-Not-Load (DNL) Instructions ...
- H. Responsibilities of ACAS Filers ...
 - 1. Responsibility To Provide Accurate and Timely Data ...
 - 2. Responsibility To Resolve ACAS Referrals ...
 - 3. Responsibility To Address Do-Not-Load (DNL) Instructions ...
- I. Amendments to Bond Conditions ...
- J. Amendments to 19 CFR 122.48a ...
 - 1. Flight Departure Message (FDM) ...
 - 2. Other Amendments to 19 CFR 122.48a ...
- K. Flexible Enforcement ...

Dated: June 4, 2018.

Kirstjen M. Nielsen, Secretary.

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3. State Seeks Comments on DSP-5, DSP-61, DSP-85, DSP-73, DSP-6, DSP-62, DSP-74, and DSP-83

(Source: Federal Register [

83 FR 27362-27364: 30-Day Notice of Proposed Information Collection: Six DDTC Information Collections

- * ACTION: Notice of request for public comments.
- * SUMMARY: The Department of State has submitted the information collection described below to the Office of Management and Budget (OMB) for approval. In accordance with the Paperwork Reduction Act of 1995 we are requesting comments on this collection from all interested individuals and organizations. The purpose of this Notice is to allow 30 days for public comment.
- * DATES: Submit comments directly to the Office of Management and Budget (OMB) up to July 12, 2018. ...
- * FOR FURTHER INFORMATION CONTACT: Direct requests for additional information regarding the collection listed in this notice, including requests for copies of the proposed collection instrument and supporting documents, to Andrea Battista, SA-1, 12th Floor, Directorate of Defense Trade Controls, Bureau of Political Military Affairs, U.S. Department of State, Washington, DC 20522-0112, via phone at (202) 663- 3136, or via email at battistaal@state.gov [<mailto:battistaal@state.gov>].
- * SUPPLEMENTARY INFORMATION:
 - Title of Information Collection: Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data.
 - OMB Control Number: 1405-0003.
 - Type of Request: Extension of a Currently Approved Collection.
 - Originating Office: Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, PM/DDTC.
 - Form Number: DSP-5. ...
 - Obligation to Respond: Required to Obtain or Retain a Benefit.
 - Title of Information Collection: Application/License for Temporary Import of Unclassified

Defense Articles.

- OMB Control Number: 1405-0013.
- Type of Request: Extension of Currently Approved Collection.
- Originating Office: Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, PM/DDTC.
- Form Number: DSP-61. ...
- Obligation to Respond: Required in Order to Obtain or Retain Benefits.
- Title of Information Collection: Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data.
- OMB Control Number: 1405-0022.
- Type of Request: Extension of Currently Approved Collection.
- Originating Office: Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, PM/DDTC.
- Form Number: DSP-85. ...
- Obligation to Respond: Required in Order to Obtain or Retain Benefits.
- Title of Information Collection: Application/License for Temporary Export of Unclassified Defense Articles.
- OMB Control Number: 1405-0023.
- Type of Request: Extension of Currently Approved Collection.
- Originating Office: Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, PM/DDTC.
- Form Number: DSP-73. ...
- Obligation to Respond: Required in Order to Obtain or Retain Benefits.
- Title of Information Collection: Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data.
- OMB Control Number: 1405-0092.
- Type of Request: Extension of Currently Approved Collection.
- Originating Office: Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, PM/DDTC.
- Form Number: DSP-6; DSP-62; DSP-74. ...
- Obligation to Respond: Required in Order to Obtain or Retain Benefits.
- Title of Information Collection: Nontransfer and Use Certificate.
- OMB Control Number: 1405-0021.
- Type of Request: Extension of Currently Approved Collection.
- Originating Office: Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, PM/DDTC.
- Form Number: DSP-83.
- Obligation to Respond: Required in Order to Obtain or Retain Benefits. ...

Abstract of Proposed Collections

The export, temporary import, and brokering of defense articles, including technical data, and defense services are authorized by The Department of State, Directorate of Defense Trade Controls (DDTC) in accordance with the International Traffic in Arms Regulations ("ITAR," 22 CFR parts 120-130) and section 38 of the Arms Export Control Act. Those who manufacture, broker, export, or temporarily import defense articles, including technical data, or defense services must register with the Department of State and obtain a decision from the Department as to whether it is in the interests of U.S. foreign policy and national security to approve covered transactions. Also, registered brokers must submit annual reports regarding all brokering activity that was transacted, and registered manufacturers and exporter must maintain records of defense trade activities for five years.

1405-0003, Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data: In accordance with part 123 of the ITAR, any person who intends to permanently export unclassified defense articles or unclassified technical data must obtain authorization from DDTC prior to export. "Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data" (Form DSP-5) is the licensing vehicle typically used to obtain permission for the permanent export of unclassified defense articles, including unclassified technical data, enumerated on the USML. This form is an application that, when approved by PM/DDTC, Department of State, constitutes the official record and authorization for the permanent commercial export of unclassified U.S. Munitions List articles, pursuant to the Arms Export Control Act and the International Traffic in Arms Regulations.

1405-0013, Application/License for Temporary Import of Unclassified Defense Articles: In accordance with part 123 of the ITAR, any person who intends to temporarily import unclassified defense articles must obtain DDTC authorization prior to import. "Application/License for Temporary Import of Unclassified Defense Articles" (Form DSP-61) is the licensing vehicle typically used to obtain permission for the temporary import of unclassified defense articles covered by USML. This form is an application that, when approved by PM/DDTC, Department of State, constitutes the official record and authorization for the temporary commercial import of unclassified U.S. Munitions List articles, pursuant to the Arms Export Control Act and the International Traffic in Arms Regulations.

1405-0022, Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data: In accordance with part 123 of the ITAR, any person who intends to permanently export, temporarily export, or temporarily import classified defense articles, including classified technical data must first obtain DDTC authorization. "Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data" (Form DSP-85) is used to obtain permission for the permanent export, temporary export, or temporary import of classified defense articles, including classified technical data, covered by the USML. This form is an application that, when approved by PM/DDTC, Department of State, constitutes the official record and authorization for all classified commercial defense trade transactions, pursuant to the Arms Export Control Act and the International Traffic in Arms Regulations.

1405-0023, Application/License for Temporary Export of Unclassified Defense Articles: In accordance with part 123 of the ITAR, any person who intends to temporarily export unclassified defense articles must obtain DDTC authorization prior to export. "Application/License for Temporary Export of Unclassified Defense Articles" (Form DSP-73) is the licensing vehicle typically used to obtain permission for the temporary export of unclassified defense articles covered by the USML. This form is an application that, when approved by PM/DDTC, Department of State, constitutes the official record and authorization for the temporary commercial export of unclassified U.S. Munitions List articles, pursuant to the Arms Export Control Act and the International Traffic in Arms Regulations.

1405-0092, Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data: In accordance with part 123 of the ITAR, any person who intends to permanently export, temporarily import, or temporarily export unclassified or classified defense articles or related technical data must obtain DDTC authorization. "Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data" is used to obtain permission for certain changes to previously approved licenses. This form is an application that, when approved by PM/DDTC, Department of State, constitutes the official record and authorization for all requests to amend existing defense trade authorizations made pursuant to the Arms Export

Control Act and the International Traffic in Arms Regulations.

1405-0021, Nontransfer and Use Certificate: Pursuant to Sec. 123.10 of the ITAR, a completed Nontransfer and Use Certificate" (Form DSP-83) must accompany an export license application to export significant military equipment and classified articles and technical data. Pursuant to Sec. 124.10 of the ITAR, a completed "Nontransfer and Use Certificate" must be submitted with any request for a manufacturing license agreement or technical assistance agreement that relates to significant military equipment or classified defense articles and technical data. The foreign consignee (if applicable), foreign end-user, and applicant execute this form. By signing the certificate the foreign end-user certifies that they will not, except as specifically authorized by prior written approval of the Department of State, re-export, resell or otherwise dispose of the defense articles enumerated in the application (1) outside the foreign country named as the country of ultimate destination; or (2) to any other person. With respect to agreements that involve classified articles or classified technical data, an authorized representative of the foreign government must also sign the form.

Methodology: This information collection may be sent to the Directorate of Defense Trade Controls via the following methods: Electronically or mail.

Anthony M. Dearth, Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State.

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OTHER GOVERNMENT SOURCES

4. Items Scheduled for Publication in Future Federal Register Editions

(Source: Federal Register [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAxNkySpALzVFU0rp6USFMT3CvFZ3leDv9cQk1zXTTGJEK4PYQr7eD3Tv-n5UNXHII3XD_Q_Ju8eo1eRuJft2PFGvPQDucigQnL2ZhHwSlm_XWY9gD9huRMdLdXELrbju84p9_x90yqN-48K0FLCEm8=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==])

[No items of interest noted today.]

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5. Commerce/BIS Announces ZTE Settlement

(Source: Commerce/BIS [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAzRU0hi4MrJEKrnL9ATPDLfY4bQ0Tbg0-ICAN2F5AeUCDILrpCwiGcGIFJ7EL5yDfF7T2FyOpM5HypX9I6KnbyluplOUcZusEQ3grn-SRMDzLFiyauGgYilushXDLS9q45qRA_eWa-5gZVEAga0EJ_WBScg3iPTmoQ46gHvzLo6HzvatTW1pFN02qjrnrmQAicqfdpQVFjH4C-zA1pNrtiTbcwW-GZnSCMZ-AlfAw_Moyhl_gn0QUAUw=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==], 12 Jun 2018.) [Summary.]

* Respondent: Zhongxing Telecommunications Equipment Corporation and ZTE Kangxun Telecommunications Ltd. of Shenzhen and Hi-New Shenzhen, China, respectively.

* Charges: On 6 March 2018, ZTE notified BIS that it had made false statements in two letters it sent to BIS regarding the discipline of ZTE employees involved in

the violations that led to the March 2017 Settlement Agreement and 23 March 2017 order.

* Penalties:

- Civil Penalty of \$1,761,000,000 and placement of ZTE on the Denied Parties List ("DPL"). BIS will remove ZTE from the DPL Denied Persons List after ZTE makes the required payment and deposit into escrow.
- Within 30 days of the date of the order, BIS will select and ZTE shall retain at its expense an independent Special Compliance Coordinator ("SCC") to coordinate, monitor, assess, and report on compliance by ZTE and its subsidiaries and affiliates worldwide.
- ZTE must also:
 - Complete and submit nine audit reports of its compliance with U.S. export control laws;
 - Ensure that all records required to be kept or retained under the Regulations are stored in or fully accessible from the United States;
 - Publish on its website all Export Control Classification Numbers as necessary to determine applicable requirements;
 - Hold two public symposia in China regarding compliance with applicable U.S. export control regulations.

* Debarred: 10 years from the date of this order, unless ZTE completes the full and timely payment as described above.

* Date of Order: 7 Jun 2018.

[The Draft Charging Letter, Superseding Settlement Agreement, and Superseding Order are available HERE [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49Ic89KF7e_vmTnHxAKnyrlgGIZIh7CiIbCYheQd0DhuOTvUS2aCyATfy4xTLd6MuzWnQoccos6Di6jEKETHVo3Z3UfL2D-beuKODK7YzkpjGC9yaKkATFie5uqy1CMbtqHrg-KgP2_suYCH9orpfBWM_d8S1Bju24iA26URcOOLnZ68Qn21JblbF8udp089miw5gwAb7GyOIEQxur1DzvFeQE1ZkH096g6s9FfDQUP7i1adxYaXKc=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6IcxITCWQZI5UwLfoXda==].

See also the related 7 June press release from the Department of Commerce, available HERE [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA-OazwTBRPYPV7BtG_32BNvOz2IT03cDVNXPagfOGf_jvomKSRuf3ZRa4CXGBODsfpiugA8DweBIZhbtHfJD3wct6rWEA5DQZHhqpXZXaWnRqih0DUP9CtvZk2rbFnxGajrid3C5p22Qcag6Y6UnInM9xQBomOrq1wz1JisZufp6bh48cNlb1L4fc5PDpfoCsVJb8HkJyaQYnftF3xst7-gLSSeN6_-Qt8pGvGH0Nf3oCJvCrbNvaxEo-_GhQHjzKaKQvAzU_&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6IcxITCWQZI5UwLfoXda==].]

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6.

State/DDTC: (No new postings.)

(Source: State/DDTC [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA3cDww42zXZaSFidMQKNm9Gm\\_VrHL0F6zVnmHwLi4eDDjEwGV3BxoGyYk4FUSEV58tfXJdt2GfvyqQ7\\_uKW8JAdEgNeo5BEEwQl6Yv1-k\\_58kNww0Eq2tkc8LbI2ZB-iCVEL\\_rCt6tOZgXwvCSBh-4Jl3qgDv881zjvJFUiU1R5F&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6IcxITCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA3cDww42zXZaSFidMQKNm9Gm_VrHL0F6zVnmHwLi4eDDjEwGV3BxoGyYk4FUSEV58tfXJdt2GfvyqQ7_uKW8JAdEgNeo5BEEwQl6Yv1-k_58kNww0Eq2tkc8LbI2ZB-iCVEL_rCt6tOZgXwvCSBh-4Jl3qgDv881zjvJFUiU1R5F&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6IcxITCWQZI5UwLfoXda==)])

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7. UK Introduces New Merger and Takeover Rules

(Source: UK ECJU [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_2l-6dU43DAKyVyKNRevil_QMmb2e5rJ4H02qQZcOtd2v8kEbP738ciAgZou4LlmHmiya29IMFIVHZwRYoaG19_ICL5lrz9demMfNnlX3Yla2BELeDal4PRZ5NW6FXNga2WBA-5AlxLnNgHbl9YCjCQJMC6AbgbRT5Wv38lfeyorOJ7wBvPgXJ7ciVZIsHZPVmBiiVVasSYAMPsW4d6tEoUiGU3CjsMnEOn0UAFrEpsZmO4t215f7XH3SutrRRaD6_vcZVclI2Kio3fUVZG3UdXL0cHECln5Wpdhf_endAeLrHdxSw42oJLkOfT3ItQ79k49f2_d2l6mi8D60UMjrZdyUYumBrjuGPNsLED0_6tMkc_AB_RU9KfNZaywQilEbJmj7CnMRibGRk62UerGKKwsx_dV1pH0oJTFIROx9hCr-vbVm-sQ7MUV1vaPsHLt8QSFBMASyBzQ=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==], Notice to Exporters 2018/13, 12 Jun 2018.) [Excerpts.]

The UK Export Control Joint Unit (ECJU) announced that the UK government has strengthened its ability to scrutinize mergers and takeovers with relation to possible national security concerns through new rules that came into force on 11 June 2018.

These rules follow the publication of the ' [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_HrJ8JekbpbknEokVrg4KHmnlNaymWWcdJLQVybluGYIOGMR5U-CPPZLfz4ER2-JbP4PQ0quxuXYja8RuH3zXClrUCgDjmEkZHXYVgW8AZCZyoktzmbia-Rs3Q8E8OnEUUnxCfrctdZpQy5PKZ74MuYjoNvX8mvU2yzISK3HNuXL7RoZogzMkn9vskZky41ArQGOY-axKysacLh5w6rll5hPzW6tYl2qjx&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==]ational Security and Infrastructure Investment Review' Green Paper

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_HrJ8JekbpbknEokVrg4KHmnlNaymWWcdJLQVybluGYIOGMR5U-CPPZLfz4ER2-JbP4PQ0quxuXYja8RuH3zXClrUCgDjmEkZHXYVgW8AZCZyoktzmbia-Rs3Q8E8OnEUUnxCfrctdZpQy5PKZ74MuYjoNvX8mvU2yzISK3HNuXL7RoZogzMkn9vskZky41ArQGOY-axKysacLh5w6rll5hPzW6tYl2qjx&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==] in October 2017. This review set out proposals to close gaps in our current framework in the short term, and proposals for a more comprehensive regime over the longer term.

The government has now responded to the consultation on the short-term proposals and secondary legislation came into force on 11 June 2018.

The new regulations amend the threshold tests for businesses in the military, dual-use, computing hardware and quantum technology sectors that are most likely to have implications for our security. Businesses that develop or produce goods on certain of the Strategic Export Control Lists will be covered by the amended thresholds.

Today's changes allow ministers to intervene for public interest reasons when the target business's UK turnover is more than £1 million, down from £70 million under the previous rules, and remove the requirement that a merger or takeover in these sectors lead to an increase in the parties' combined share of supply of relevant goods or services before the Government is able to intervene.

Action for Exporters

Ensure your company is familiar with the legislation amending the share of supply

test [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_3j5DFC98Wks-2trSV2QjnGBPd0IDLO87DljVjrwevDNo81Jem__ItTQMTPoETenPmQuad552UXsb2akkrTIDw4mWm3inKiFjURzb54hJyK9RVI8S2t4lxWjG-_MDYsZ-]

e0WkZ3gMiaVEcPltawqnr4HM6o1e4itYcyNnlU4rQE=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==]
 and turnover threshold [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_IdwfBI3eiWMdqFPSF8K7Lj3rZ1zDowTHgYS6zU2er7WPMJ7XbkLqDXCPYTLQVQoI
 tW7kN6v_3m7vBID2taJX6kxSXGnUmj0u5u9qG06sm-25NZYyYQeVBfg8qt7qPm9c-
 ZS0D33Y82G0oFUsN0SEtJ8uwdFgPEIQ&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==]
 and accompanying guidance [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_ir6rCxqYfZRhx_gAzhqyyW_d198ktDgZLENXVKnrlWvgIHlrH1r6A-
 48mDXpS1YYgCPhajlp9k7NtwMSz_fed7Z8DFhXMYTeZhwXStff3_A5lg9itZ7hliplixZBPFmBEtVrHtHfZYQRTaZQC1JRzUuK0I
 suDFJ2ogavnSzYHvW3G14l-PFdwHcb1DeWguBuxM3l-WnWgPUAK5vVM5UVh5N3XWjim10sp2qHgKy_meS78N4tlyK6uO-
 YfZb_cMeGMmPE6v-4=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-
 WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==].

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NEWS

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8. Fortune: "Senate Moves to Block Trump's Settlement with China's ZTE, a 'Personal Favor' to President Xi Jinping"

(Source: Fortune [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_JVbcl0S5Y2dDiMVhY5QfG2HHPCSrNVvxf0SQ3L0O03O\_RuQ5M6dO9q1unZarnnZI\_0cyz9D-06CzT0BQg0EDo-Zkx6ew2\_a9EPdTquonGL4KXVbKIakM8A-b4rJCwQMWEZSg3J5yRLZCbVKoT1GqyEW9l7ViCGsMEpr5kNz8oe3foxi\_wV4dDASX4JCsagHHCoY6BI2gDE=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==],  
 12 Jun 2018.) [Excerpts.]

The Senate has adopted a measure to block a deal between the Trump administration and Chinese telecommunications company ZTE.

The motion was adopted [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_TNjWS6a4aAesyiiEt\_1PXE19\_jnliQsYkbcdbdij2nBxmgowENZWhleaxOT-IVSArIEpLWMHqhVh7lcKdBxH\_K2O7JQBz2vl8aFkuQlw3z8UgdBVMJNRrdWgAhAJRkJpWupNASZCebmf8OiFVbcXsXHlBvG9zvabRjLa82lJCab6v76pCGAMJEPTpEwQuHj\_ETpSyBzdiG3J6P3320iEw==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==]

late Monday night, only hours after the deal became public and less than a week after it was signed. The announced settlement would allow the company to resume buying parts and selling products in the U.S. after having been banned by the U.S. Commerce Department in April for breaking the U.S. embargo against Iran.

The Senate added the block to the National Defense Authorization Act, a must-pass piece of legislation. It would block the deal [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_99RJQvFATmyclwYJrGBgOntReENfeLC7LTjCSvgLAXDVFgeMZhBHpnickeVPz400ZJsz4sWV3QxmToRaEaoB4KsAVUrFFv-hpTUFdu57i790FVLVZyF3fnO-KHVINTG1enzwjMGkIYcnmcig-90Bg2BHw8nUtU0oNlmpmEKqEc7CfmBzz5b2-w1gE8p2N6J6uT1s9358l=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==]

by retroactively reinstating financial penalties and upholding the ban on ZTE selling products to the U.S. government. The Senate's action is based on national security fears over ZTE's products. The intelligence community suspects the company's devices

are mechanisms for espionage that can be remotely tracked and used to steal intellectual property. ...

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#### 9. The Gazette: "Federal Appeals Court Upholds 3 Family Members' Convictions for Smuggling Guns to Lebanon"

(Source: The Gazette [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49lc89KF7e\\_b2jgbkkEqhXk3f9EfEjSWm6hVsJVxkSNBJR76tZ082CmR4wAdnxEVdsCgJg7E5qStNH4\\_3ONVSLq9mtPVKjLpgCv7AN1KMk4EEHVnMQw50fPVDLffXxI5H2UCesUZrIjTrgBizm0SZbH-EmhYQXS3R\\_00aZ35vFjTfxeqMNQPrn2AzOpyC8191cEvPYJZiMEXIXelIEIA1by5ZPPRHHTFQmtTLpd8nlaMb4nPxREXO8kyHH5UPtE2YAvikzgM\\_hopmUV6Q74VdquEfO77o\\_xmBc0iniTa&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lCxlTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_b2jgbkkEqhXk3f9EfEjSWm6hVsJVxkSNBJR76tZ082CmR4wAdnxEVdsCgJg7E5qStNH4_3ONVSLq9mtPVKjLpgCv7AN1KMk4EEHVnMQw50fPVDLffXxI5H2UCesUZrIjTrgBizm0SZbH-EmhYQXS3R_00aZ35vFjTfxeqMNQPrn2AzOpyC8191cEvPYJZiMEXIXelIEIA1by5ZPPRHHTFQmtTLpd8nlaMb4nPxREXO8kyHH5UPtE2YAvikzgM_hopmUV6Q74VdquEfO77o_xmBc0iniTa&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lCxlTCWQZI5UwLfoXda==)], 11 Jun 2018.)

Appeal for fourth family member remains pending

A federal appeals court Monday upheld convictions of three Cedar Rapids family members for smuggling 252 guns among skid loaders bound for Lebanon in 2014 and 2015.

U. S. Court of Appeals for the 8th Circuit affirmed sentences for Ali Al Herz, his brother Bassem Herz and Herz's wife, Sarah Zeaiter, for their part of smuggling guns from Cedar Rapids to Lebanon in shipping containers. The three pleaded, along with Al Herz's son, Adam Al Herz, 25, in 2016.

Adam Al Herz's appeal was filed later and is pending.

- Ali Al Herz, 53, pleaded guilty to being a prohibited person in possession of firearms, firearms conspiracy, conspiracy to commit money laundering and violation of the Arms Export Control Act, meaning he didn't have a license to export firearms. He was sentenced to 27 years.

- Bassem Herz, 33, pleaded guilty to firearms conspiracy, conspiracy to commit money laundering and violation of the Arms Export Control Act, which is not having a license to export firearms. He was sentenced to eight years

- Sarah Zeaiter, 26, pleaded guilty of one count each to firearms conspiracy, conspiracy to commit money laundering and violation of the Arms Export Control Act. She was sentenced to seven years.

- Adam Al Herz, 23, pleaded guilty to firearms conspiracy, conspiracy to commit money laundering and violation of the Arms Export Control Act - that he didn't have a license to export firearms. He was sentenced to 20 years.

Ali Al Herz argued U.S. District Senior Judge Linda Reade, who was chief judge at the time, should not have imposed an enhancement regarding the number of guns. According to evidence, he told investigators there was an estimated 227 firearms in the March and August 2014 and May 2015 shipments, but he argued that didn't distinguish between ones he purchased and what others purchased and shipped. The appeals court found he was accountable for at least 200 guns.

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#### 10. Guns.com: "Proposed Export Reform Will Boost International Gun Sales, Industry Expects"

(Source: Guns.com [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49lc89KF7e\\_WrK7wVpgHcXVell\\_mcllvb0e80wbiNNAWZmNL8\\_UM5TsVRK2-3F5V\\_H7shkd9u7WUWB6kbFaNyrgXV-dl1bFzqqEvyFFjKs7Xu7hFz3VTmYISWaXxs-bdSkO7sNXoOCwk-7b-b\\_2u00Nj3z7v\\_wkUoZf8pF4u2Nbj\\_nW9qdIX4M3irjyGmvRrDWfXAFBUNGRv8xXsEgvQ2WF04LUB7QXgxX6Rd2PGV\\_WoJg](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_WrK7wVpgHcXVell_mcllvb0e80wbiNNAWZmNL8_UM5TsVRK2-3F5V_H7shkd9u7WUWB6kbFaNyrgXV-dl1bFzqqEvyFFjKs7Xu7hFz3VTmYISWaXxs-bdSkO7sNXoOCwk-7b-b_2u00Nj3z7v_wkUoZf8pF4u2Nbj_nW9qdIX4M3irjyGmvRrDWfXAFBUNGRv8xXsEgvQ2WF04LUB7QXgxX6Rd2PGV_WoJg)]

MzQJT4mo=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==],

12 Jun 2018.) [Excerpts.]

Firearm industry experts believe the proposed export reform

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-

dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_QKBFPgqoiMnQzF621e9tPoHqOZ1hFbAGn7-a3aelTVdK-

bpB\_bdVwn4kQzI9YtHBgBL1Z5vYUfNmKlj\_hOnM\_3qXtReU9RGFod-nd3bE-

24xOeBhQGHOU5JCjv1omV0KHKHwdh4EJzeA2iWllad1ucKw1yE2X-kYCjtqVKP-KSKBi29IO-

1TJuMbAWc9OQ1nIYu8PSGv7U=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-

cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==]

will boost international gun sales. ...

The Directorate of Defense Trade Controls unveiled the long-awaited ITAR changes

last month, shifting oversight of commercial arms sales to the Commerce Department

and its Export Administration Regulations (EAR).

The rule change would give American manufacturers more leeway to sell guns internationally

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-

dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_rqaXGvdyC45k8ifTY-

upZ9to8t8zkX6b365i06j9qklp6rdoI9rZ9pXAQwNYbsf0ZqyJH7IKde6\_rWntfIT69Z5C9izSx8tMxdEEu9vhWkvNGvxaxzQD\_

O7suujr02\_fw15N0h7Mxo0vN3rCaLmBDzEVJ1AsW754Px7HDbF-FPUgw-ruPd8EU-

i5LUDzRarhrXPD5V8gb\_SRM2HAt7mtXdptciZrli9hFuQAQmB0=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-

cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==].

Lawrence Keane, senior vice president for the National Shooting Sports Foundation,

said in September relaxed restrictions would boost annual gun sales by as much as

20 percent. ...

The proposal removes non-automatic and semi-automatic firearms from ITAR categories

I and II. Corresponding parts and ammunition will no longer remain in category III.

Firearms dealers large and small would no longer pay a \$2,250 ITAR registration

fee or a \$250 licensing fee.

Instead, the products will transfer to the EAR and undergo far less scrutiny. ...

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# 11. International Financial Law Review: "Asian Businesses Face Export Control, Sanction Compliance Headaches"

(Source: International Financial Law Review [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_E86gPxLMwwpjUjZcx56\_eFh\_zFq9cBIMLyGa9syURBYwUNQImrnZtFV98zEhNRdgpjDJSuqrwjH8a2yBAINuy278fArs9do8LTBspr9WCfWWwcC8r6Qs\_cxerc12WY5\_ood7nUG7Y84Qt3w4T4hIMKpbbGSjQT2fa1yflbmRSwi7DNVvw0IXfwuRbqZ\_0bCL1T65dYedXcsxf9jwSI5cwiiy2qCTp3&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==],

11 Jun 2018.) [Excerpts; subscription required.]

Asian businesses, especially Chinese companies, are facing increasing pressure as the U.S. increasingly resorts to export control and sanction regulations as a foreign policy tool.

The issue was recently amplified by the ZTE case which has been heavily criticized by market participants globally. Due to breaching terms of an existing sanctions settlement with the U.S., ZTE was initially banned from purchasing components central to its business from US partners for seven years. The ban has now been lifted after ZTE signed an agreement with the US to pay \$1.4 billion to settle the case.

According to panelists at the recent Asialaw In-House Counsel Summit in Hong Kong, what Asian corporates are finding most challenging is tracking channel partners with little to no resources on export controls and the technical difficulty of knowing

the percentage of U.S. content across complex product lifecycles when there are large volumes of products. ...

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12. South China Morning Post: "ZTE to Replace Board, Fire Senior Management Under U.S. Deal"

(Source: South China Morning Post [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49lc89KF7e\\_T9NHESZhmYrz\\_AulpH1SLPpLBia5S8Jfcj7odAFJP6iL9h1mX1fzrzLNpwld4l3DGOV NtZjtQUK30zlfktyh-](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lc89KF7e_T9NHESZhmYrz_AulpH1SLPpLBia5S8Jfcj7odAFJP6iL9h1mX1fzrzLNpwld4l3DGOV NtZjtQUK30zlfktyh-)

7jYuY4wIVeiju4tlp2wWeeWVZw4wD5t3jjxLVNARbrXRD8bAhhrvpzxbosvmg5TQqRiAlfUXXpkehL0o1luEn\_MA5ErAXAlgD HbwA1AwH6LaphIE60ZhHTwMY\_-hoqtq\_j71xgCCHF&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==],

12 Jun 2018.) [Excerpts.]

ZTE Corp. has agreed to pay an additional US\$1 billion in civil penalties to the U.S. Department of Commerce and put US\$400 million in escrow to settle its violation of export controls that threatened to put it out of business.

The Shenzhen-based telecommunications company, which had to shut down major operations after the U.S. banned it from buying American parts, will also employ a special compliance coordinator (SCC) and a team of assistants at its expense for a period of 10 years, according to a detailed settlement agreement on the U.S. Commerce Department's website.

The entire boards of directors of ZTE Corp. and ZTE Kangxun will be replaced within 30 days of the agreement dated June 7, and all members of senior leadership at or above the senior vice-president level and employees responsible for the export violations will be terminated. ...

As part of the agreement, ZTE will also hold two public symposiums in China within four years regarding compliance with the regulations, focused on best compliance practices for Chinese companies. ...

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## COMMENTARY

13. T.B. McVey, C.R. Webb & C.E. James, Jr.: "Export Control Amendments Proposed for Commercial Firearms, Ammunition and Related Products"

(Source: Williams Mullen [

11 Jun 2018.)

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and Charles E. "Chuck" James, Jr., Esq., [cjames@williamsmullen.com](mailto:cjames@williamsmullen.com) [<mailto:cjames@williamsmullen.com>].  
All of Williams Mullen.

On May 24, 2018 the State and Commerce Departments issued proposed regulations regarding

the transfer of export jurisdiction for commercial firearms and ammunition from the International Traffic in Arms Regulations ("ITAR") to the Export Administration Regulations ("EAR"). [FN/1] Specifically, the proposals would amend Categories I, II and III of the U.S. Munitions List ("USML") to remove certain commercial firearms products, ammunition, and certain parts, components, accessories and attachments and transfer these items to the Commerce Control List ("CCL") under the EAR. This is the first step in the long-awaited process under export control reform to transfer firearms products that no longer warrant control as military products from ITAR to the less restrictive EAR. This is welcome news to our clients and many in the firearms and firearms accessory market. The following is a summary of a number of the proposed changes and the impact on companies dealing in these products. At the outset, it should be recognized that these are proposed amendments - they are not the final versions of the regulations. State and Commerce have provided these in proposed form and are requesting comments from interested parties during a 45-day comment period. Upon the receipt of comments, the agencies may make further modifications to the proposals and must still issue final regulations. Consequently, companies should be alert to any additional changes and not act on the proposed regulations until they become final. Nevertheless, companies can become engaged in the process now by submitting comments with recommendations for further revisions and begin planning for the transition to the new regulatory program. Many industry groups and advocacy organizations are encouraging their members to offer comments in support of the proposed regulations.

**Amendments Under ITAR.** Under the proposed State Department rule, USML Category I, covering firearms and related articles, will be amended to remove non-automatic and semi-automatic firearms up to caliber .50 (12.7 mm) inclusive and certain parts, components, accessories and attachments "specially designed" for such articles.

The goal of such amendments is to remove common items like modern sporting rifles while continuing to control under ITAR "only defense articles that are inherently military or that are not otherwise widely available for commercial sale." [FN/2]

Such products would be transferred to be controlled under the EAR (discussed further below). Certain products, however, would continue to remain on USML Category I and subject to ITAR that fit within the above parameters, including the following:

- Firearms that fire caseless ammunition;
- Fully automatic firearms to caliber .50 inclusive;
- Firearms specially designed to integrate fire control, automatic tracking and automatic firing systems;
- Fully automatic shotguns;
- Silencers, mufflers, sound suppressors, and specially designed parts and components;
- Barrels, receivers (frames), bolts, bolt carriers, slides, and sears, specially designed for the firearms in Category I;
- High capacity (greater than 50 rounds) magazines, and parts and components to convert a semi-automatic firearm into a fully automatic firearm; and
- Accessories and attachments specially designed to automatically stabilize aim (other than gun rests) or for automatic targeting.

Category II, covering guns and armaments, would be amended to specifically list the items subject to controls and to establish a "bright line" between the USML and the CCL for the control of these items. Items removed and transferred to the CCL include engines for self-propelled guns and howitzers, [FN/3] tooling and equipment for the production of articles controlled in USML Category II [FN/4] and certain test and evaluation equipment. [FN/5] Items specifically remaining on the USML and subject to ITAR would include certain apparatus and devices for launching or delivering ordnance, [FN/6] certain autoloading systems currently controlled under



USML Category II paragraph (i), developmental guns and armaments funded by the Department of Defense [FN/7] and specially designed parts and components of such developmental products.

Category III, covering ammunition and ordinance, would be amended to be consistent with Category I, including the removal of ammunition for small arms that were transferred out of Category I. Category III would also be amended to remove the broad "catch-alls" previously covered and to specifically enumerate the remaining items to be controlled. New Controls Under the EAR. Items removed from the USML as described above would be transferred to be controlled under the EAR which is administered by the Bureau of Industry and Security ("BIS") within the Commerce Department. As part of this transfer, BIS has established 17 new export control classification numbers ("ECCN's") on the CCL to control items that were removed from the USML.

Items covered by these ECCN's will continue to be subject to significant export restrictions. For example, these items will require export licenses for exports, reexports and in-country transfers. In addition, certain "technology" related to the transferred firearms, ammunition and related products will be controlled on the CCL - in many cases licenses will be required for the transfer of controlled technology out of the U.S. and the transfer or disclosure of controlled technology to foreign persons in the U.S. Certain license exceptions would also be available for the transferred items (although the license exceptions under the EAR frequently differ from the license exemptions under ITAR). As with ITAR licenses issued by DDTC, items exported under a license would only be authorized for the end user and end use specified on the license - any reexports or in-country transfers of such items beyond such authority will require specific additional license authorization from BIS.

Continued ITAR Controls On Brokering of Commercial Firearms. Notwithstanding the changes described above, commercial firearms and ammunition would continue to be covered under the ITAR brokering requirements. Specifically, the State Department proposed rule states that products listed on the U.S. Munitions Import List (used by the Bureau of Alcohol, Tobacco, Firearms and Explosives for administering controls on the permanent import of firearms products) will continue to be subject to the ITAR brokering requirements set forth in 22 CFR Part 129. Category I(a) of the USMIL includes nonautomatic and semiautomatic firearms, to caliber .50 inclusive, and USMIL Category III(a) includes ammunition for such products. Thus, despite the broad changes to USML Categories I and III under the proposed amendments, parties will still be subject to ITAR regulation for brokering and "facilitation" in the sale of commercial firearms products, including requirements for registration, obtaining advanced authorizations for certain transactions, reporting, recordkeeping and restrictions on brokering transactions involving the "proscribed" countries identified in 22 CFR §126.1.

Impact on Firearms Companies. The proposed changes will most likely affect many companies in the firearms industry in a number of ways including:

- Export Classifications. Companies will review the export jurisdiction and classification of their products to determine if they have been transferred to BIS jurisdiction and, if so, to determine the correct ECCN's for their products. This will apply to firearms, ammunition, parts, components, accessories and attachments.
- Licenses For Products, Technology and Software. As referenced above, companies will still be required to obtain export licenses for exports, reexports and in-country transfers for controlled products, technologies and software. However, in many cases these will be from a different licensing agency under different licensing procedures. Consequently, many companies will be amending their export compliance procedures to conform to these new requirements.

- Registration. There is no requirement for companies to register under the EAR, as exists under ITAR. Of course, if companies still engage in activities regulated under ITAR (such as brokering commercial firearms products or the sale of items remaining in USML Categories I, II and III), they will be required to maintain their DDTC registration.
  - Defense Services. There are reduced controls on performing services under the EAR as compared with those under ITAR. [FN/8]
  - Temporary Imports. The EAR does not contain controls on the temporary import of items subject to the EAR as required under ITAR.
  - Reports for Payments of Fees, Commissions and Political Contributions. The EAR does not require exporters to file reports on the payment of political contributions, fees and commissions as under ITAR Part 130.
  - Items Still Regulated Under ITAR. For items that remain listed on the USML after the amendments, such items will still be subject to ITAR and the requirements thereunder.
- Status of Amendments. As stated above, the amendments described in this alert are proposed changes only and not final amendments. Parties have until July 9, 2018 to submit comments to State and Commerce on the proposed regulations. Companies are encouraged to review the proposals carefully to assess how they will apply to their businesses as there is still opportunity to propose further amendments. Officials at DDTC and BIS typically review the comments carefully and often adopt changes recommended by commenters.
- While the transfer of commercial firearms products from ITAR to EAR controls is not yet concluded, the process has begun. This is the time for companies to become engaged - in reviewing, commenting on and planning ahead for these changes.

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[FN/1] The proposed State Department rule is available here

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_\_U927KNODMxb--lRdg\_-dc3LzAHWXDolCLl6lu4IWGb1nPpJpxkSe7-qAQYIGAmkzKr3Z7IlgyUc99xriJGlnlEoOLsp4uH9XtujBl3vQuJDeXUglBeib6BRJDzxToTiF0xmNuMVi0IXrSA7E3sLCchHApiNYI3USiXXwzhrtvPxq4LubHY62ZPjC0CM\_6vSdclvVwUjR3i3DaT0fAje2NY0LigKIOUMJGfNnrIIW3NUrZ905RQxr3Vybfj18GpNH Rv5JLJz68=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==],

and the proposed Commerce Department rule is available here

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_1ncZt1fRuVjo0mKb7Ecquu68Wmg8HoyuXh7JUMQoNbw061K4Wd87chNkStAkcgZfDBfDb0UnwLC6t--1MB7dsvDbdGC\_g\_IWYY6UE-CL1EQUSqBDn3BSvl0SlbMW1XPbOEWtds639oUpJCGu9psECIX2StXRQ33QMmaidG8L\_eOxaqSt6n7ohpxafs-G8urb6l8yul\_WonUDqSpZJc9ab20I7PL\_hT1fk-X1cWJKA6RRI\_U-1PfqVO6wZhl4VMoppMlnwuxdf595ZjDbgaUxkX\_uXjy0\_6SV&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==].

[FN/2] See State proposed rule p. 24,198.

[FN/3] To be transferred to the CCL under ECCN 0A606.

[FN/4] To be transferred to the CCL under ECCN 0B602

[FN/5] To be transferred to the CCL under ECCN 0B602.

[FN/6] To be included in a new USML paragraph (a)(4).

[FN/7] To be included in new USML paragraph (a)(5).

[FN/8] The performance of services is addressed in the EAR in 15 CFR §744.6(a)(1)(ii) and §744.6(a)(2). In addition, the BIS proposed rule states as follows regarding defense services: "The EAR does not include a concept of "defense services," and the "technology" related controls are more narrowly focused and apply in limited contexts as compared to the ITAR." See BIS proposed rule at p. 24,167.

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14. Xiaomeng Lu: "What Chinese Companies Can Learn From ZTE's Mistakes"

(Source: The Diplomat [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49Ic89KF7e\\_mjIRArv-KjoTKDfGpYu6jOSCrN\\_T2pL7vAbPLDbH5X0IEOJSTX0Sk\\_BAzkuNSbnbJraxmckCBDczTR2PqHM9jZ3F2zGRabExJxf0yWP7cMeiCxHr0Qn9KqW3cPTSmY1tywla3ZSWZ8CRiUVX9isGC2UKme7fPdysoUzYcXnN9FPrwvRI\\_HPGe8KRbEGmV4U3HeCzP1uR1M=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49Ic89KF7e_mjIRArv-KjoTKDfGpYu6jOSCrN_T2pL7vAbPLDbH5X0IEOJSTX0Sk_BAzkuNSbnbJraxmckCBDczTR2PqHM9jZ3F2zGRabExJxf0yWP7cMeiCxHr0Qn9KqW3cPTSmY1tywla3ZSWZ8CRiUVX9isGC2UKme7fPdysoUzYcXnN9FPrwvRI_HPGe8KRbEGmV4U3HeCzP1uR1M=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==)],

12 Jun 2018.)

\* Author: Xiaomeng Lu is Access Partnership's International Public Policy Manager and China practice lead.

Starting in 2010, Chinese telecommunications equipment company ZTE violated the U.S. embargo against Iran in order to sell export-controlled technology to Iranian entities. During the course of the U.S. government investigation, ZTE engaged in evasive conduct [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA9Shbyi73YwIALTNOEXqIQL3ovjgZ7qTGRIX52RfWByZ1K4Z9qEsuFK7e3HqqtK24dHuDHVBDaLCzZCZOUXSqY9wm8A\\_zepAmxnCvofNB5UOQek5ezCebjDnrFmO\\_vUHRylc21Nax-2JnQsRaJE0x8RoRz-gTws6-hp4glNvjNb1dOg0bF5NHBlwQsZmyjEBWAft6CqEz1O9eo2Mj8PiwiF9Kt9bPwfyJv\\_QfpmFN2\\_AaLzSeLFSL0fzgUQ4GA6NQ==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA9Shbyi73YwIALTNOEXqIQL3ovjgZ7qTGRIX52RfWByZ1K4Z9qEsuFK7e3HqqtK24dHuDHVBDaLCzZCZOUXSqY9wm8A_zepAmxnCvofNB5UOQek5ezCebjDnrFmO_vUHRylc21Nax-2JnQsRaJE0x8RoRz-gTws6-hp4glNvjNb1dOg0bF5NHBlwQsZmyjEBWAft6CqEz1O9eo2Mj8PiwiF9Kt9bPwfyJv_QfpmFN2_AaLzSeLFSL0fzgUQ4GA6NQ==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==)]

designed to prevent investigators from detecting their violations. This unprecedented scheme led to a record-high penalty of \$1.19 billion. At the time ZTE fully admitted its wrongdoing and promised to bring the company's practice in compliance with U.S.

law. However, only a year later, ZTE was found [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA1Cgm9pulacQuvvht7zVm6F5c29udmzwi9Wv9D4qJGsHUj0DoWbtrJlnSoEwp6LVCmcUd18RCzk1AbKUdCWbNxzaEnr0mTvvkyWZcl1P4eUNrKcmze5Xv41QsVk4ame-wcBC9wfgAyuLlw6hE9iW7\\_pOWJn7P90x\\_JXuOtYyfNkGUzHjQBbxcSKWwEpyY8xg==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA1Cgm9pulacQuvvht7zVm6F5c29udmzwi9Wv9D4qJGsHUj0DoWbtrJlnSoEwp6LVCmcUd18RCzk1AbKUdCWbNxzaEnr0mTvvkyWZcl1P4eUNrKcmze5Xv41QsVk4ame-wcBC9wfgAyuLlw6hE9iW7_pOWJn7P90x_JXuOtYyfNkGUzHjQBbxcSKWwEpyY8xg==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==)] issuing misleading statements and again violating U.S. sanctions during the probationary period under the 2017 Settlement Agreement.

This time around, the U.S. government placed an export ban on ZTE, cutting the company off from all of its U.S. suppliers for seven years, effectively putting the business on the brink of collapse. This ban was lifted a few days ago, after ZTE agreed to pay another \$1 billion fine and let the United States install a compliance team within the company - a deal struck by U.S. and Chinese officials in the midst of intense trade negotiations.

Reportedly ZTE's top management had an internal debate back in 2012 over how to respond to the U.S. investigation. The executives were divided

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49Ic89KF7e\\_gC3yMcMzEEaR\\_Br8GqlrgGXqiiv1NVFel4iFhj6V6tDi8hp-IE2C5stnRKR4Yv75cBHnub9lDrRSjpsmDFnR3ljarQU-xQvSofrkEKSABtMf7Nxy36FLWXLi5kaWWGcjZq022qtYcAcYhg9bj83H\\_-iloAbun1BrcSGr5EkLVtMrbnd3Wk\\_6e3bk-HGmbFFyp0FMiLiKwtX649d9rfS65rHPFi9wdD0fUbLBNO53BM4=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49Ic89KF7e_gC3yMcMzEEaR_Br8GqlrgGXqiiv1NVFel4iFhj6V6tDi8hp-IE2C5stnRKR4Yv75cBHnub9lDrRSjpsmDFnR3ljarQU-xQvSofrkEKSABtMf7Nxy36FLWXLi5kaWWGcjZq022qtYcAcYhg9bj83H_-iloAbun1BrcSGr5EkLVtMrbnd3Wk_6e3bk-HGmbFFyp0FMiLiKwtX649d9rfS65rHPFi9wdD0fUbLBNO53BM4=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXdA==)]

into two groups: one that wanted to resist investigators and another that wanted to comply. The dark side prevailed, and ZTE chose to resist the investigation, with severe consequences.

Maybe it is time for some telecom executives in China to watch more Marvel Comics-based movies, and pay particular attention to the often quoted (including by the U.S. Supreme Court) Spider Man saying: "With great power comes great responsibility."

While not as powerful as GE or Amazon, ZTE is China's second largest telecommunications manufacturer and has 80,000 employees to be responsible for.

A person's behavioral problems may reveal deeper issues in his or her family; similarly, ZTE's case reveals some structural issues within the Chinese tech environment. In the Chinese government-enterprise relationship, corporations often play the role of children, while the government wants to act like parents. Like a stereotypical overbearing parent, the Chinese government has been trying to bring up successful kids by giving them the most materialistic help, ranging from subsidies and R&D funding to preferential treatment in government procurement projects. A parent's measure of success is healthy kids doing well in school; the Chinese government is looking for a company to increase its revenue stream, market share, and physical presence. However, over time this parenting model often produces spoiled grown-ups who lack a moral compass and social awareness. When the coddled young adult takes a serious, criminal misstep, and gets arrested, the helicopter parent over-steps again to bail out the offspring at all cost.

Hopefully last week's parental rescue is a wake-up call not only to ZTE, but to other mature and growing Chinese tech companies. It is time for Chinese firms to learn how to become independent, responsible multinational corporate adults. Family education is a big part of who you are, but peer-learning in school is equally important. Look no further than cases like Microsoft's data privacy lawsuit against the U.S. government, or Apple's encryption dispute with the FBI - questioning and challenging the "parents" (i.e., the host government) is the first step in becoming a full-fledged adult.

In addition to becoming independent from the government, Chinese tech companies may consider taking the following steps to become globally-respected players.

(1) List on a U.S. stock exchange: Companies have to meet the minimum entry listing requirements in order to be traded on the New York Stock Exchange or NASDAQ. Once a company registers with the Securities and Exchange Commission (SEC) and publicly places securities in the United States, it would be responsible to outside stakeholders and subject to additional disclosure requirements. This process provides a training course for Chinese companies to learn about stakeholder management and improve transparency.

As Beijing encourages Chinese tech companies to return to the domestic stock market, it is also establishing the Chinese Depository Receipt mechanism

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49Ic89KF7e\\_LGRymNMOWE1V5tn2FmJYDbQhUXih\\_fJAE0QbznCZBJy8k-yAvIFmLCJKh3hjtowWPcK5r0-YLbp\\_MazJSIRA8Fd1cyUOW3FfHUx9PZrmQP318DM3gE7Fg1m5iUbXKvnHUtkkKAY4yeogqScW\\_bQArKKMm04\\_9v-IQq-KLSH7X5VT8gYI4ViS-g==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6IcxITCWQZI5UwLfoXDA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49Ic89KF7e_LGRymNMOWE1V5tn2FmJYDbQhUXih_fJAE0QbznCZBJy8k-yAvIFmLCJKh3hjtowWPcK5r0-YLbp_MazJSIRA8Fd1cyUOW3FfHUx9PZrmQP318DM3gE7Fg1m5iUbXKvnHUtkkKAY4yeogqScW_bQArKKMm04_9v-IQq-KLSH7X5VT8gYI4ViS-g==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6IcxITCWQZI5UwLfoXDA==)]

to allow internet giants listed overseas, such as Baidu, Alibaba, Tencent, and JD.com, to raise funds in the domestic Chinese capital market in parallel with their existing public offering abroad.

(2) Adopt an open communication style: Like many Silicon Valley start-ups, Chinese tech companies are run by introverted engineers. The Economist once called

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49Ic89KF7e\\_6Y60TFuxYJJ7uruFHPGyVPkZ58aV2OBjhygvh23X5JKioqhSfTzpkvB84fUuRDfr2IVhkSmPaibg1rvs05Ebj\\_Y4cCSKV8GuT8tgB6nPmHyrniT7qhs8Vuyt3nDhy8HV&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6IcxITCWQZI5UwLfoXDA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49Ic89KF7e_6Y60TFuxYJJ7uruFHPGyVPkZ58aV2OBjhygvh23X5JKioqhSfTzpkvB84fUuRDfr2IVhkSmPaibg1rvs05Ebj_Y4cCSKV8GuT8tgB6nPmHyrniT7qhs8Vuyt3nDhy8HV&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6IcxITCWQZI5UwLfoXDA==)]

Huawei's CEO, Ren Zhengfei, "the most reclusive boss in the technology industry."

Despite having been in the middle of the export control scandal for over a year now, ZTE's leadership hasn't spoken to any non-Chinese media about the controversy.

Last Friday, after closing the second settlement deal, ZTE's CEO finally penned

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA49lc89KF7e\_zXS5FisrUnF3fQp7C4KKMS5Mnd7HRi3UpCneXdvkLwLLekfODzhOm9w3CeaQFA2hGFhHN45Z9CVkK\_9QwD3OU6qlz0xzLsVJg7AIEkEHSaa1-6v3zp5pSkzustGZAa925rHHt6PHFGQ4tTtX3-cdio4fnxECCOfesWU8h3kp2ZV0INth1KwuNg==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==]  
 an apology letter, saying, "I would like to apologize to all employees, customers, shareholders, and partners."

However, by American standards, a global technology company's CEO is expected to confront issues, explain corporate strategy, and make human connections with investors and customers. Conversely, a CEO's silence will send the message to the public that he or she has something to hide. For example, Facebook is also facing an uphill battle in the wake of its privacy scandal. Though its CEO Mark Zuckerberg is a coder, not a communicator, by training, he took a more open approach and testified in front of the U.S. Congress and the EU Parliament. Through the course of Zuckerberg's 10 hour testimony in Washington, DC Facebook's stock price climbed up more than 5 percent. Taking note of Zuckerberg's experience, ZTE's CEO may want to consider an interview with tech journalist Kara Swisher, who previously grilled Bill Gates and Steve Jobs on stage, to redeem the company's corporate image.

(3) Respect the rule of law and understand the political environment: Many "Doing business in China 101" guidebooks lecture American business people on the need to learn about China's history and its culture. The same advice is applicable to Chinese businesses in the United States. It is important to respect the long-established norms that honor laws, regulations, and other legally binding obligations in the United States.

In addition, the bilateral relationship between the U.S. and China is increasingly confrontational given the growing sense of competition between the two countries. Both presidents have blended national security with economic security - indicating a worsening investment environment for foreign investors in both countries. It is advisable for Chinese companies to take this political risk into consideration and avoid projects involved with sensitive security elements.

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#### EDITOR'S NOTES

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15. Bartlett's Unfamiliar Quotations

(Source: Editor)

*Harriet Martineau (12 Jun 1802 - 27 Jun 1876; was a British social theorist and Whig writer, often cited as the first female sociologist. Martineau wrote many books and a multitude of essays from a sociological, holistic, religious, domestic, and perhaps most controversially, feminine perspective; she also translated various works by Auguste Comte. She earned enough to support herself entirely by her writing, a rare feat for a woman in the Victorian era.)

- "You had better live your best and act your best and think your best today; for today is the sure preparation for tomorrow and all the other tomorrows that follow."

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## 16. Are Your Copies of Regulations Up to Date?

(Source: Editor)

The official versions of the following regulations are published annually in the U.S. Code of Federal Regulations (C.F.R.), but are updated as amended in the Federal Register. The latest amendments to applicable regulations are listed below.

\* ATF ARMS IMPORT REGULATIONS [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA5Cc3SkuV6E\\_I5ZL1SB5toITmqa0PZU0dcOpRDells3UvRhDFsagpFmcCtTU9D2We97FLbi2ZiB5uIuD4c1BEWqZFMJsFI631-](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA5Cc3SkuV6E_I5ZL1SB5toITmqa0PZU0dcOpRDells3UvRhDFsagpFmcCtTU9D2We97FLbi2ZiB5uIuD4c1BEWqZFMJsFI631-)

kVTKmz79QEKxyLYkTbm0CY5eFG6kgS\_Z\_wTY5cSqDksHKRM9ALNJeGUQXBQk28dWfDujgl894QaTzuAgNuvOGbH47gWYdVNTsQnu2w2R2tBqxOUOT6KPjAEF6rvL1UhywsM17KwbbfrcSaCJctHL\_3lytyqZbl5niXvdKkQU3W1lZZjSa9VslybGFQc3\_Xg==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXda==]:

27 CFR Part 447-Importation of Arms, Ammunition, and Implements of War

- Last Amendment: 15 Jan 2016: 81 FR 2657-2723

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA5Qmtqyomanp1W8C1TwryUgAc97FWK\\_73nN4d8YZ-4SeUBkgI00zfoPWdncBg4oojw8y4ALRMUUIqzn7nvCa62yiPmw7DIJTczmlak0pD9dVleX-qoxQRkQsyxfTGh2PebT-JVHzd374ln4Y-Xpp1UHVsxqqCiYQH2g5K6ol\\_fWyeIEeNTU3\\_0s=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA5Qmtqyomanp1W8C1TwryUgAc97FWK_73nN4d8YZ-4SeUBkgI00zfoPWdncBg4oojw8y4ALRMUUIqzn7nvCa62yiPmw7DIJTczmlak0pD9dVleX-qoxQRkQsyxfTGh2PebT-JVHzd374ln4Y-Xpp1UHVsxqqCiYQH2g5K6ol_fWyeIEeNTU3_0s=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]:

Machineguns, Destructive Devices and Certain Other Firearms; Background Checks for Responsible Persons of a Trust or Legal Entity With Respect To Making or Transferring a Firearm.

\* CUSTOMS REGULATIONS [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA5Cc3SkuV6E\\_2Ay13BK6Bp1pvaRc5\\_K6bhXO5y1idugw9XRtSIJgWu9R9fuTadIRgOggIOkuuxOEKpgKj6AtbfNQNtMt8zWy2b5S1v0g78jvFnM1pybLUxf0sLnrdZPyj3MeGJnFvLysMybfvIKFcUy8IUI6AtPkg9C9KV414vnh4nQ8-p7KCCopARtfrZm1pJPSzoMXZ500jLFnaFTWvJwa94QtcQyA36zURYGIT-gXnTr84HU0LVsn8Kym\\_j-FnfpftdCU&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA5Cc3SkuV6E_2Ay13BK6Bp1pvaRc5_K6bhXO5y1idugw9XRtSIJgWu9R9fuTadIRgOggIOkuuxOEKpgKj6AtbfNQNtMt8zWy2b5S1v0g78jvFnM1pybLUxf0sLnrdZPyj3MeGJnFvLysMybfvIKFcUy8IUI6AtPkg9C9KV414vnh4nQ8-p7KCCopARtfrZm1pJPSzoMXZ500jLFnaFTWvJwa94QtcQyA36zURYGIT-gXnTr84HU0LVsn8Kym_j-FnfpftdCU&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]:

19 CFR, Ch. 1, Pts. 0-199

- Last Amendment: 12 Jun 2018: 83 FR 27380-27407

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA49lC89KF7e\\_YF60wHF5IK5B6SLkuB7auSBjwhPCC8gtULUy6-XTZ1ayp4Zdr0AIOcNnl97MPcLtrvul3r5eK1jPEG4QAcQJD3XEhuQGq3rBUFIUA6Blz1duP9riaPuOTrWBl1rZegOhmyFHS553Nw0fqxNQWtSr3U13MUfO6mXTZqqxSLCEGyc=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA49lC89KF7e_YF60wHF5IK5B6SLkuB7auSBjwhPCC8gtULUy6-XTZ1ayp4Zdr0AIOcNnl97MPcLtrvul3r5eK1jPEG4QAcQJD3XEhuQGq3rBUFIUA6Blz1duP9riaPuOTrWBl1rZegOhmyFHS553Nw0fqxNQWtSr3U13MUfO6mXTZqqxSLCEGyc=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]:

Air Cargo Advance Screening (ACAS); Final Rule

\* DOD NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL (NISPOM)

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW\\_ZitDwby1G2DM\\_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L\\_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW_ZitDwby1G2DM_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]:

DoD 5220.22-M

- Last Amendment: 18 May 2016: Change 2 [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW\\_ZitDwby1G2DM\\_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L\\_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW_ZitDwby1G2DM_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]:

Implement an insider threat program; reporting requirements for Cleared Defense Contractors; alignment with Federal standards for classified information systems; incorporated and cancelled Supp. 1 to the NISPOM (Summary here [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW\\_ZitDwby1G2DM\\_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L\\_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW_ZitDwby1G2DM_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]):

Implement an insider threat program; reporting requirements for Cleared Defense Contractors; alignment with Federal standards for classified information systems; incorporated and cancelled Supp. 1 to the NISPOM (Summary here

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW\\_ZitDwby1G2DM\\_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L\\_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclTCWQZI5UwLfoXda==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAx5m0F96Z4AoKsEbtN7vGlgGI-dukYCsVhPE5J6vUOI5IFRjh8WJHgA1jW_ZitDwby1G2DM_eAhKFub3b0AozefZ4N8L13egnonMzLid6L45ZjubiBVkffwklb0xtDYRz67w00qtx15L_Mwa8r4Q4L2w6KLPGD7ESQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclTCWQZI5UwLfoXda==)]

dx9RTJEjY\_D1v4HStt\_QfUAyHptl0pQg5YMRHZdXGSdjT1NJKUuMzCgp9R3061KCnUI1Q5kBCWDp9oftV\_3OoHnsidlyB8wY  
HHAPUEO8i9wiqUc38NVm0SY\_VolQjqgurSsErvWWkg\_HwUU3grtU9aSeLcZighrtMdSDNSA-rTdF7F0AhS-  
o7kE56PkoApc\_lh&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-  
WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==].)

\* EXPORT ADMINISTRATION REGULATIONS (EAR)

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-

dx9RTJEjY\_D1v4HStt\_QfUAyHptl0pQg5YatTBvBp6Ojj7Lgo3y1bagw0YduJLXn0HP0xPReY3AaYs9fjVRZ3S3BSJpws3VqOYbIA-  
oBBEjqRjw9BNV5k5ykZg5s92DXj393FuuykAxn9MCM8LiTCvSam-\_tQB780RXveVYafGd9eiSZYG9kjlCpJBTOBng-pMvgc8-  
pbmFM3F9Xq-qJHqCWcpq\_7zkOkXZIO2RUawiSTJxUHpuJksg4ppgiDIQ66G2Q9pL9QHTHlxSrM1JTmgID0Bpsv8u7N3K6-  
nuQ7Wjb5bw=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-  
SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==]:

15 CFR Subtit. B, Ch. VII, Pts. 730-774

- Last Amendment: 6 June 2018: 83 FR 26204-26205

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA-

OazwTBRPVVpF7UHV4IFS3REjF0\_VZgxVMa7SaYw3mzAHnliBrsVJe5Zem0M1snNPqqx5BPfMezFPPlftZWZD8etj-  
UBBEmU7gejgao-10IRv3uwvaGkPB8paVBeOwPqtg-xubl3EiYePYksvDS-  
2FYgU5jflXc4CanBBkejkSX69BJWSnZ8=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-  
cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==]:

Unverified List (UVL); Correction

\* FOREIGN ASSETS CONTROL REGULATIONS (OFAC FACR)

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-

dx9RTJEjY\_D1v4HStt\_QfUA5Cc3SkuV6E\_z2tAsejYynEC-6GlzCQUYzOlNRPYqd7DOkobZu2n4WDatOE1nA4qEyc5R-  
i5D6NxHwiB31Cc49IXtqvzaMopVqL-

\_OkwnbJaA6EBfzQ\_liFNtU6hctvSM7t5lCtLD0Pv3PqK980xqBTXIEzNtssXkuNNkxiOoKM2NYZNJwllsn-  
EuUXSak94171rnXNa2mfp2bOBo8hO8erQQOKzAXQuJda\_AxmPhyCG6Gs68CSFQM5yD32A6ry8AHWUfLBkf\_h&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-  
SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==]:

31 CFR, Parts 500-599, Embargoes, Sanctions, Executive Orders

- Last Amendment: 19 Mar 2018: 83 FR 11876-11881

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUAy-qCLc\_Tq-

z5yBZhBREPh1iPciZIXTF9RwPbSutP7kpi7RwjhScTp\_rhhMJyUmF-iS-iJUueN\_Fj9OMqmN-

m9vBSglyjnKeimPKrjIEPOMzeoMnyNuklhk776Ga3EjStuOZT-

TU1QJOiKFYyRJ3\_YfS9T\_Rr8LW4insNaxFB4eAoBt5DNk=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-  
cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==]:

Inflation Adjustment of Civil Monetary Penalties

\* FOREIGN TRADE REGULATIONS (FTR) [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-

dx9RTJEjY\_D1v4HStt\_QfUA5Cc3SkuV6E\_kcZ70MbJ59J5\_gYtfXMsXlCncjC6fnOQrmuP7ejGkN4XDyABbxuVfWF4U2u0DFjh  
fbg-dn\_b2M9WlsoYXbAl-hH1sTZDVnd0s6basrbgNTsFXOEdzVI3SRZ6SwyJrB3-  
WS2vBXSngLGPfW8TKvQzZDSD4bYGHsolJ9kiskaEh3LaQtwh2RsChFITGQ-RQPO6-  
XZJOH2UTycw0u2GQalPOwKS6lBVlyMG3AGOVJnAi7ALvNuuWjgKV9X6a5s3ouFhCYmTc7M4VU=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-  
SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==]:

15 CFR Part 30

- Last Amendment: 24 Apr 2018: 3 FR 17749-17751

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA5aOzf6-

zBCtER9xPWSM8aRPW\_fBOVmjQDjmDsRTY21sYEKlnETOPe-s4zyhlx\_wEcF07xihjVL9SQ3FFZ-Dh-zD7T7CDMjZX8h-

A\_qm3HSyqCpYmJs6BzXvLNCuhCkzBtZRAB1NNA6l2QRzahbpyBaxJKWAulyJ3KHK-

n60in6OqgjmfrjyKqg=&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-  
WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXDA==]:

Foreign Trade Regulations (FTR): Clarification on the Collection and Confidentiality  
of Kimberley Process Certificates



- HTS codes that are not valid for AES are available here

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA7F1kzXB6JpmWUBp3nfxQVI-rECfBfEZwoCDQyKPIIcLLPdfBjSBo-EA5pm-oBMajh7zXrS2pDCjvgjrcF4RmGOBJv1er7q4Z9T6ccU3ZiRfox3qrx53Ct1Jo0DWWKukuu5kJvF9ci3qBQIGC0C0s6eloGi9hz3rpeh k2WviWb2ie0I0ZVeVXhR4I21o2Io2Vo2t7N7x9ejBs&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclxTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA7F1kzXB6JpmWUBp3nfxQVI-rECfBfEZwoCDQyKPIIcLLPdfBjSBo-EA5pm-oBMajh7zXrS2pDCjvgjrcF4RmGOBJv1er7q4Z9T6ccU3ZiRfox3qrx53Ct1Jo0DWWKukuu5kJvF9ci3qBQIGC0C0s6eloGi9hz3rpeh k2WviWb2ie0I0ZVeVXhR4I21o2Io2Vo2t7N7x9ejBs&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclxTCWQZI5UwLfoXdA==)].

- The latest edition (30 Apr 2018) of Bartlett's Annotated FTR ("BAFTR"), by James E. Bartlett III, is available for downloading in Word format. The BAFTR contains all FTR amendments, FTR Letters and Notices, a large Index, and approximately 250 footnotes containing case annotations, practice tips, Census/AES guidance, and explanations of the numerous errors contained in the official text. Subscribers receive revised copies in Microsoft Word every time the FTR is amended. The BAFTR is available by annual subscription from the Full Circle Compliance website

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA0HOBNSdgShYBJYLrOmibVCWXIDx17HO9kbo-oY8INjukY-ZS7k2FWw8N-ry1qR3o5tOOJi7yTyrYe4LbIAIOe1hLzDi\\_8w5bZw9bBc8pthS33W0\\_PPaIOLeqMRk\\_ufuAfpZFeCE6u&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclxTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA0HOBNSdgShYBJYLrOmibVCWXIDx17HO9kbo-oY8INjukY-ZS7k2FWw8N-ry1qR3o5tOOJi7yTyrYe4LbIAIOe1hLzDi_8w5bZw9bBc8pthS33W0_PPaIOLeqMRk_ufuAfpZFeCE6u&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclxTCWQZI5UwLfoXdA==)].

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\* HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTS, HTSA or HTSUSA)

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA5AFrGtMR5obyNAYtqSeKBZt7cRfGGlHhAqWvD8zOzqdudOkBqUcvMZ7Bc8fsXBY-nd1lm7zn-k50fO4o4p17cZLu4LIZPDJOLfA5If\\_dhPqVun3ncRJ67sJ4CuqiXitw==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBA Y-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclxTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA5AFrGtMR5obyNAYtqSeKBZt7cRfGGlHhAqWvD8zOzqdudOkBqUcvMZ7Bc8fsXBY-nd1lm7zn-k50fO4o4p17cZLu4LIZPDJOLfA5If_dhPqVun3ncRJ67sJ4CuqiXitw==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBA Y-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclxTCWQZI5UwLfoXdA==)],

1 Jan 2018: 19 USC 1202 Annex. ("HTS" and "HTSA" are often seen as abbreviations for the Harmonized Tariff Schedule of the United States Annotated, shortened versions of "HTSUSA".)

- Last Amendment: 8 Jun 2018: Harmonized System Update 1809

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUAyLk8M8rk5I888iidQx\\_xlF5IEf-XZEFJRj3zFnpLCyiVky4glpdMQlfZcsd\\_5ti5Ps4OZAfiixjWgGU0JIFNmnTh68lcK4ioVLoYI34ooGIVuiW7SWmO4S2IKnPO4zi03jFmYFTS2hhmq3M1L3E6Oz3hU4w9fRXteKzHqz5gNpq6UAAApE6ZetbfGC8x6PCAqAxHnsOZ2YZXmQh6H1HiiwC5BWYQXxrXY3Q5y8qcPW1KuhnOtX7ecwury0S5Dn8jm7XQLm1V8&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclxTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUAyLk8M8rk5I888iidQx_xlF5IEf-XZEFJRj3zFnpLCyiVky4glpdMQlfZcsd_5ti5Ps4OZAfiixjWgGU0JIFNmnTh68lcK4ioVLoYI34ooGIVuiW7SWmO4S2IKnPO4zi03jFmYFTS2hhmq3M1L3E6Oz3hU4w9fRXteKzHqz5gNpq6UAAApE6ZetbfGC8x6PCAqAxHnsOZ2YZXmQh6H1HiiwC5BWYQXxrXY3Q5y8qcPW1KuhnOtX7ecwury0S5Dn8jm7XQLm1V8&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclxTCWQZI5UwLfoXdA==)], containing 901 ABI records and 192 harmonized tariff records.

- HTS codes for AES are available here [[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA156TxZF06J-c\\_leu8fbbotluKH3elQK\\_uorgEI9J8lpxFZuvhvxAXoZnVnfT\\_0a6rqXQVWJsLnoOH\\_Uq3Df30zpDmXU3YLTTox5eafklNrwyr8iLzOOSV474BZmwyLqZJdqK3kFTIelA2ltM7UI2R0i4fIQD8iDKqQx1dLLPgA1PdiyK2VkoC9-FsmvhCddSnt3Y-\\_Ws6rW&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\\_Hsyd55CE6lclxTCWQZI5UwLfoXdA==](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA156TxZF06J-c_leu8fbbotluKH3elQK_uorgEI9J8lpxFZuvhvxAXoZnVnfT_0a6rqXQVWJsLnoOH_Uq3Df30zpDmXU3YLTTox5eafklNrwyr8iLzOOSV474BZmwyLqZJdqK3kFTIelA2ltM7UI2R0i4fIQD8iDKqQx1dLLPgA1PdiyK2VkoC9-FsmvhCddSnt3Y-_Ws6rW&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs_Hsyd55CE6lclxTCWQZI5UwLfoXdA==)].

- HTS codes that are not valid for AES are available here

[[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\\_D1v4HStt\\_QfUA7F1kzXB6JpmWUBp3nfxQVI-rECfBfEZwoCDQyKPIIcLLPdfBjSBo-EA5pm-oBMajh7zXrS2pDCjvgjrcF4RmGOBJv1er7q4Z9T6ccU3ZiRfox3qrx53Ct1Jo0DWWKukuu5kJvF9ci3qBQIGC0C0s6eloGi9hz3rpeh](http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY_D1v4HStt_QfUA7F1kzXB6JpmWUBp3nfxQVI-rECfBfEZwoCDQyKPIIcLLPdfBjSBo-EA5pm-oBMajh7zXrS2pDCjvgjrcF4RmGOBJv1er7q4Z9T6ccU3ZiRfox3qrx53Ct1Jo0DWWKukuu5kJvF9ci3qBQIGC0C0s6eloGi9hz3rpeh)]

k2WviWb2ie0I0ZVeVXhR4I21o2lo2Vo2t7N7x9ejBs&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==].

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22 C.F.R. Ch. I, Subch. M, Pts. 120-130.

- Last Amendment: 14 Feb 2018: 83 FR 6457-6458

[http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-dx9RTJEjY\_D1v4HStt\_QfUA\_8oZK-DIsHuDID0cCl6l8QR47uvXgeqZGO2V7R4hkzy8y-uE2V3Dxd\_dLcKckk3lWTlxQrPgFvsrxVn1Yn9urey6lZqNhPeWBgePETTXOYqo1HGJSc5S8zxZHvpkm8uXGqw9vJLKeuC8L8ifqsGJfV2WHSFTfHn\_xfD29I5zeN9Cb28a\_KuVU=&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==]:

Amendment to the International Traffic in Arms Regulations: Addition of South Sudan

[Amends ITAR Part 126.]

- The only available fully updated copy (latest edition: 25 Apr 2018) of the ITAR

with all amendments is contained in Bartlett's Annotated ITAR

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MzFHO5Po9HiJBal28Ak63YQ==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==].

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(Source: Editor)

Review last week's top Ex/Im stories in "Weekly Highlights of the Daily Bugle Top

Stories" published here [http://r20.rs6.net/tn.jsp?f=001ceBrat0NjseqQMwjXYQIOQuMWQN05-

dx9RTJEjY\_D1v4HStt\_QfUA8a4T8aPHdwIBRaFTQUBEXGZFU402stDCRYhgGkdY9Io2PK8D35j-

LZk5J9bJC7rN009VhTXGUa0TLG0Nnif0ZYlpl7z0uja\_EvBvkW2T4nw3Ef6klvmkNWHKtd-

Z1o6bg==&c=NBIf0HVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwKA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6lclTCWQZI5UwLfoXdA==].

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s87s1uvvg3dbfcT\_64pYLGnZ\_XKeOXgZTmECVFDXnkqxhQ==&c=NBIfHVSv8sSEFLBzyq3OX63Dgwf52zJVFAzGvpCBAY-cB1LZyMwkA==&ch=AIDh6VHJGswm-WMPzD-SG7CWs\_Hsyd55CE6IcxITCWQZI5UwLfoXdA==]

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**To:** pauljm@state.gov  
**Subject:** 18-0515 Tuesday "Daily Bugle"

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Tuesday, 15 May 2018  
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2. Commerce Initiates Investigation under Section 232 of the Trade Expansion Act

#### OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions
2. Commerce/BIS Publishes Proposed Rule Concerning Shift of USML Cats I, II, and III to EAR/CCL
3. State/DDTC Publishes Notice Concerning Proposed Shift of ITAR/USML Cats I, II, and III to EAR/CCL
4. EU Amends Restrictive Measures Concerning Libya
5. UK Government Posts Guidance Concerning Iran
6. Singapore Customs Announces Joint-Customs-CA Seminar on 21 May 2018

#### NEWS

1. Deutsche Welle: "German Arms Firm H&K's Ex-Staff on Trial over Mexico Gun Deal"
2. Reuters: "U.S. Imposes Sanctions Against Iran Central Bank Governor, Iraq-Based Bank"
3. The Washington Times: "Trump Administration Moves to Shift Small Arms Gun Export

Approval from State Department to Commerce"

#### COMMENTARY

1. D.M. Edelman: "Trump Cancels Iran Deal: Can Your Company Still Do Business?"
2. G. Husisian: "The Twelve Compliance Steps Every Multinational Corporation Should Undertake in Light of Recent Trump Administration Enforcement Activity" (Part I of IV)
3. O. Coulon, G. Kreijen & B. Gevers: "While EU Countries Reaffirm their Commitment to the JCPOA, EU Companies Brace for Impact"
4. Gary Stanley's EC Tip of the Day

#### EX/IM TRAINING EVENTS & CONFERENCES

1. ECS Presents "ITAR/EAR Boot Camp (Seminar Level I)" on 10-11 Jul in Long Beach, CA

#### EDITOR'S NOTES

1. Bartlett's Unfamiliar Quotations
2. Are Your Copies of Regulations Up to Date? Latest Amendments: ATF (15 Jan 2016), Customs (12 Apr 2018), DOD/NISPOM (18 May 2016), EAR (5 Apr 2018), FACR/OFAC (19 Mar 2018), FTR (24 Apr 2018), HTSUS (4 May 2018), ITAR (14 Feb 2018)
3. Weekly Highlights of the Daily Bugle Top Stories

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ITEMS FROM TODAY'S FEDERAL REGISTER

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1. President Continues National Emergency with Respect to Yemen

(Source: Federal Register

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vRP41PX42CslIeiPZkEseGy300nC-wTzLycmvrxfNsGHboA9WDsWLo9JRtaZi8hN5sM20Mo5VzOD-6iDNLWCWYdltfMK4EkRZeJnaA9S5hgHsRHr06nfSfeaFUNtAkulKB9EZJ6oF87QiOHnEHEuXI-6e2qHyYN-ODgndFYCQY=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vRP41PX42CslIeiPZkEseGy300nC-wTzLycmvrxfNsGHboA9WDsWLo9JRtaZi8hN5sM20Mo5VzOD-6iDNLWCWYdltfMK4EkRZeJnaA9S5hgHsRHr06nfSfeaFUNtAkulKB9EZJ6oF87QiOHnEHEuXI-6e2qHyYN-ODgndFYCQY=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)],  
15 May 2018.)

83 FR 22582: Continuation of the National Emergency with Respect to Yemen

On May 16, 2012, by Executive Order 13611, the President declared a national emergency pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and policies of certain former members of the Government of Yemen and others that threaten Yemen's peace, security, and stability. These actions include obstructing the political process in Yemen and blocking implementation of the agreement of November 23, 2011, between the Government of Yemen and those in opposition to it, which provided for a peaceful transition of power that meets the legitimate demands and aspirations

of the Yemeni people.

The actions and policies of certain former members of the Government of Yemen and others in threatening Yemen's peace, security, and stability continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, the national emergency declared on May 16, 2012, to deal with that threat must continue in effect beyond May 16, 2018. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13611. This notice shall be published in the Federal Register and transmitted to the Congress.

[Presidential Signature.]

THE WHITE HOUSE, May 14, 2018.

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2. Commerce Initiates Investigation under Section 232 of the Trade Expansion Act

(Source: Federal Register

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vm-JNtSM8ES5wpRBVhQkjHCGxJqOPVagHrgZgyy0Od2IfC_oRIRHrhXhSJS4HN3fUI9IAKUINIIHbykGCQUY1_cctLHBB3DuxxlmeV MFqOrZxXIAqwdDIZ1LDGql6sQERCxbtvp6-9hqT9Gmu4TZlqCr7jhsdP3RrEhQ_x453EE=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==],
15 May 2018.) [Excerpts.]

83 FR 22441: Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35).

- Agency: Bureau of Industry and Security.
- Title: Request for Investigation under Section 232 of the Trade Expansion Act.
- Form Number(s): N/A.
- OMB Control Number: 0694-0120.
- Type of Review: Regular submission. ...
- Needs and Uses: Upon request, BIS will initiate an investigation to determine the effects of imports of specific commodities on the national security, and within 270 days BIS will report to the President the findings and a recommendation for action or in-action. Within 90 days after receiving the report, the President shall determine whether to concur or not concur with the findings and recommendations. No later than 30 days after a decision, the determination will be published in the Federal Register and reported to Congress. The purpose of this collection is to account for the public burden associated with the surveys distributed to determine the effect of imports of specific commodities on the national security. ...

Sheleen Dumas, Departmental Lead PRA Officer, Office of the Chief Information Officer.

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OTHER GOVERNMENT SOURCES

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## 3. Items Scheduled for Publication in Future Federal Register Editions

(Source: Federal Register

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xkWkvky9YWmMJWoy4y9Yqc6ZsYasSBBML4efxo0ovqvMuFQ9e7HuB1Kp8aLUNxdxiSs8aPoAXUjjjUxHsXtexFI20M4avjKtpkJcAg5QKty2sfebaAyKuNazp7jhx227-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xkWkvky9YWmMJWoy4y9Yqc6ZsYasSBBML4efxo0ovqvMuFQ9e7HuB1Kp8aLUNxdxiSs8aPoAXUjjjUxHsXtexFI20M4avjKtpkJcAg5QKty2sfebaAyKuNazp7jhx227-)

x5Idaj\_oeW2LACv6BJmNQA=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==])

\* Treasury; NOTICES; List of Countries Requiring Cooperation with International Boycott [Publication Date: 16 May 2018.]

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#### 4. Commerce/BIS Publishes Proposed Rule Concerning Shift of USML Categories I, II, and III to CCL

(Source: Commerce/BIS

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vTTPtQhW5zh4ikyS\\_g-3LM\\_XvjXmu0znke9kQ9INfv9HP9yvrJezUYxaJ1e9m162zrV6zXJxKxJJpUaL9txmRBQQp17Wmu61V3HaYP4i-wZsA\\_LtrEoxe\\_lzQpuHvbIP3GBGIUAMOdLDRxV8wDaTJG-k1UFjyGH942CZkfUif7UOOpIMh4N-X9zxZgqf0KF7UPF82R8fj5cAcyOFD2d2InXu4Er7wzXqDIcgOcdCnmV9MOSJ8e0BM3DkHvwOFOGxhtXnHKXNjsw8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vTTPtQhW5zh4ikyS_g-3LM_XvjXmu0znke9kQ9INfv9HP9yvrJezUYxaJ1e9m162zrV6zXJxKxJJpUaL9txmRBQQp17Wmu61V3HaYP4i-wZsA_LtrEoxe_lzQpuHvbIP3GBGIUAMOdLDRxV8wDaTJG-k1UFjyGH942CZkfUif7UOOpIMh4N-X9zxZgqf0KF7UPF82R8fj5cAcyOFD2d2InXu4Er7wzXqDIcgOcdCnmV9MOSJ8e0BM3DkHvwOFOGxhtXnHKXNjsw8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)],

15 May 2018.) [Excerpts.]

This proposed rule [available in PDF here

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vTTPtQhW5zh4ikyS\\_g-3LM\\_XvjXmu0znke9kQ9INfv9HP9yvrJezUYxaJ1e9m162zrV6zXJxKxJJpUaL9txmRBQQp17Wmu61V3HaYP4i-wZsA\\_LtrEoxe\\_lzQpuHvbIP3GBGIUAMOdLDRxV8wDaTJG-k1UFjyGH942CZkfUif7UOOpIMh4N-X9zxZgqf0KF7UPF82R8fj5cAcyOFD2d2InXu4Er7wzXqDIcgOcdCnmV9MOSJ8e0BM3DkHvwOFOGxhtXnHKXNjsw8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vTTPtQhW5zh4ikyS_g-3LM_XvjXmu0znke9kQ9INfv9HP9yvrJezUYxaJ1e9m162zrV6zXJxKxJJpUaL9txmRBQQp17Wmu61V3HaYP4i-wZsA_LtrEoxe_lzQpuHvbIP3GBGIUAMOdLDRxV8wDaTJG-k1UFjyGH942CZkfUif7UOOpIMh4N-X9zxZgqf0KF7UPF82R8fj5cAcyOFD2d2InXu4Er7wzXqDIcgOcdCnmV9MOSJ8e0BM3DkHvwOFOGxhtXnHKXNjsw8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)]]

describes how articles the U.S. President determines no longer warrant control under United States Munitions List (USML) Category I - Firearms, Close Assault Weapons and Combat Shotguns; Category II - Guns and Armament; and Category III - Ammunition/Ordnance would be controlled under the Commerce Control List (CCL). This proposed rule is being published simultaneously with a proposed rule by the Department of State that would revise Categories I, II, and III of the USML to describe more precisely the articles warranting continued control on that list. ...

In this proposed rule, items that are currently controlled in Category II of the USML would be controlled on the CCL under four new "600 series" ECCNs. Placement of the items currently in USML Category II into the CCL's 600 series would be consistent with existing BIS practice of using 600 series ECCNs to control items of a military nature.

Items currently controlled in Categories I and III of the USML would be controlled in new ECCNs in which the third character is a "5." These items are not appropriate for 600 series control because, for the most part, they have civil, recreational, law enforcement, or other non-military applications. As with 600 series ECCNs, the first character would represent the CCL category, the second character would represent the product group, and the final two characters would represent the WAML category that covers items that are the same or similar to items in the ECCN.

This proposed rule does not de-regulate the transferred items. BIS would require licenses to export or reexport to any country a firearm or other weapon currently on the USML that would be added to the CCL by this proposed rule. BIS would also require licenses for the export or reexport of guns and armament that would be

controlled under new ECCN 0A602, such as guns and armaments manufactured between 1890 and 1919 to all destinations except Canada.

As compared to decontrolling firearms and other items, in publishing this proposed rule, BIS, working with the Departments of Defense and State, is trying to reduce the procedural burdens and costs of export compliance on the U.S. firearms industry while allowing the U.S. Government to enforce export controls for firearms appropriately and to make better use of its export control resources. BIS encourages comments from the public on this aspect of the proposed rule. ...

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5.

State/DDTC Publishes Notice Concerning Proposed Shift of USML Categories I, II, and III to CCL

(Source: State/DDTC

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xpQsNOK8rukQWCctTtlUAxtmHgFjGR21xeF0PSoQko7KFR\\_5F1cQSJltMF\\_79YnPRua8oogQX\\_BXR-tLoH6c7EHnQbIK7q-E0OSKhNubIWtXbJT4hJaQCtK3Hv66c9LCSQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xpQsNOK8rukQWCctTtlUAxtmHgFjGR21xeF0PSoQko7KFR_5F1cQSJltMF_79YnPRua8oogQX_BXR-tLoH6c7EHnQbIK7q-E0OSKhNubIWtXbJT4hJaQCtK3Hv66c9LCSQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)], 15 May 2018.)

The Department of State proposes to amend the International Traffic in Arms Regulations to revise Categories I (firearms, close assault weapons and combat shotguns), II (guns and armament) and III (ammunition and ordnance) of the U.S. Munitions List (USML) to describe more precisely the articles warranting export and temporary import control on the USML. Items removed from the USML would become subject to the Export Administration Regulations (EAR). See C

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vbS9-jJCVUmlq7-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vbS9-jJCVUmlq7-m6EIMyjaN2B3UjYcjliD4bouZiCQT0YkOS8sSrUveHXZRLGB9N6xMtVPKYU1rLFSVydJXSmxGLY2seHCHRjH9_OlhVcr6CpcFudlZaGamm8tyCUfBqqjPK4Hu0tlk61CW3HsPNell7hNDO3U4dWN7YCfluK0zN9uTpNCXhc5FvEU8vdH7LZk-8JiC8aJg=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)

[m6EIMyjaN2B3UjYcjliD4bouZiCQT0YkOS8sSrUveHXZRLGB9N6xMtVPKYU1rLFSVydJXSmxGLY2seHCHRjH9\\_OlhVcr6CpcFudlZaGamm8tyCUfBqqjPK4Hu0tlk61CW3HsPNell7hNDO3U4dWN7YCfluK0zN9uTpNCXhc5FvEU8vdH7LZk-8JiC8aJg=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vbS9-jJCVUmlq7-m6EIMyjaN2B3UjYcjliD4bouZiCQT0YkOS8sSrUveHXZRLGB9N6xMtVPKYU1rLFSVydJXSmxGLY2seHCHRjH9_OlhVcr6CpcFudlZaGamm8tyCUfBqqjPK4Hu0tlk61CW3HsPNell7hNDO3U4dWN7YCfluK0zN9uTpNCXhc5FvEU8vdH7LZk-8JiC8aJg=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)]at

I-III Combined PR - FRN FINAL.PDF

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vbS9-jJCVUmlq7-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vbS9-jJCVUmlq7-m6EIMyjaN2B3UjYcjliD4bouZiCQT0YkOS8sSrUveHXZRLGB9N6xMtVPKYU1rLFSVydJXSmxGLY2seHCHRjH9_OlhVcr6CpcFudlZaGamm8tyCUfBqqjPK4Hu0tlk61CW3HsPNell7hNDO3U4dWN7YCfluK0zN9uTpNCXhc5FvEU8vdH7LZk-8JiC8aJg=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)

[m6EIMyjaN2B3UjYcjliD4bouZiCQT0YkOS8sSrUveHXZRLGB9N6xMtVPKYU1rLFSVydJXSmxGLY2seHCHRjH9\\_OlhVcr6CpcFudlZaGamm8tyCUfBqqjPK4Hu0tlk61CW3HsPNell7hNDO3U4dWN7YCfluK0zN9uTpNCXhc5FvEU8vdH7LZk-8JiC8aJg=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vbS9-jJCVUmlq7-m6EIMyjaN2B3UjYcjliD4bouZiCQT0YkOS8sSrUveHXZRLGB9N6xMtVPKYU1rLFSVydJXSmxGLY2seHCHRjH9_OlhVcr6CpcFudlZaGamm8tyCUfBqqjPK4Hu0tlk61CW3HsPNell7hNDO3U4dWN7YCfluK0zN9uTpNCXhc5FvEU8vdH7LZk-8JiC8aJg=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)]

The Department of Commerce proposes to amend the Export Administration Regulations to describe how the items that transfer to the EAR will be controlled. See 05.4.18

Signed Commerce firearms proposed rule for sending to OFR for publication

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vw75CBBYhoiZiAGN1\\_\\_\\_d1qRbOGgO2IN3rvqOmL82QkelghJCgW27kSgloxkjiYlNSr24zo3EQrZgbkyjlikS7fW-6t1JEoXRkWKQGDkbnUANaQdligPfRdTm9V7FYMV-4YWC7ut\\_3gXemhMG68h7Ag9mU-0ericDsOWU5qH97wQkvwuBH15nAqMbJKxrDniDgfZIDS23vHU=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vw75CBBYhoiZiAGN1___d1qRbOGgO2IN3rvqOmL82QkelghJCgW27kSgloxkjiYlNSr24zo3EQrZgbkyjlikS7fW-6t1JEoXRkWKQGDkbnUANaQdligPfRdTm9V7FYMV-4YWC7ut_3gXemhMG68h7Ag9mU-0ericDsOWU5qH97wQkvwuBH15nAqMbJKxrDniDgfZIDS23vHU=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

[Editor's Note: this notice is published simultaneously with the BIS notice, included in today's Daily Bugle, item #4 above.]

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6.

## EU Amends Restrictive Measures Concerning Libya

(Source: Official Journal of the European Union)

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vwa8-aFDZut0voSffjf89kds8cCmsn1VDpL-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vwa8-aFDZut0voSffjf89kds8cCmsn1VDpL-)

ZBgB4fyEd87KXGVK3DUKaEE3XAt7nrldxTejVzk61Ls3M8ZWsgoeOCQIXrn3Nrs8Cha5jUPRFWHjK5qBKduVH7uOkg\_pDCt8XH7UDFaBlx2fUkUrHrZ3hpUnumoXBf4U91gea7EegIKrMGpDzy7mr6fzOI5e&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==], 15 May 2018.)

## Regulations

\* Commission Implementing Regulation (EU) 2018/711

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vdl85uHKRojYiYY6HnfZA7bmSF-hg4HkW7lj8dZxgYDrAUrFfslv4OOHhyO2LkDmKwXvscX7lvU7orN3N7U\\_lYlrZYe9RoP-dt-htX2HHyaGEXsdQru8Jk01YnuCdvVJLNkLlp7zNX33u1p8qyUkX2gEemAlAu1MJioK6rXIYtZINTygiVjMj777xZb\\_rnzCD9PauTun-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vdl85uHKRojYiYY6HnfZA7bmSF-hg4HkW7lj8dZxgYDrAUrFfslv4OOHhyO2LkDmKwXvscX7lvU7orN3N7U_lYlrZYe9RoP-dt-htX2HHyaGEXsdQru8Jk01YnuCdvVJLNkLlp7zNX33u1p8qyUkX2gEemAlAu1MJioK6rXIYtZINTygiVjMj777xZb_rnzCD9PauTun-)

75cqIpNaqEAH0wleHinISabTAByrU3rSvRMMA7WIWodjoJeb6lhEcU&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]

of 14 May 2018 amending Council Regulation (EU) 2016/44 concerning restrictive measures

in view of the situation in Libya

## Decisions

\* Council Implementing Decision (CFSP) 2018/713

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vxxB77FgzM-ZL5hkmzPQoMKtnlQA0YAGY-VTmAA\\_1sPw-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vxxB77FgzM-ZL5hkmzPQoMKtnlQA0YAGY-VTmAA_1sPw-)

8leW3gvSmiB6LeISg23crfhddBRLykpMtHuhlaBpm78OrT3nLuG3kr6XJOHYqux5kYLToYiJYFXr5rIfRsaAvPITXC0sfROb0cog6Wr8jXN7zVmNIFV58zD7sFDSVwP99oR76j82IJEZ2AAIg8W2QRRdjiO-

5NIkt0EfgzzHWBdVUMDmFkh4mOvMm9cpTuzqoMZl1jB4quqaBk6mQDtr&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]

of 14 May 2018 implementing Decision (CFSP) 2015/1333 concerning restrictive measures

in view of the situation in Libya

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7.

## UK Government Posts Guidance Concerning Iran

(Source: UK DIT/EJCU)

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2v6cp1WJR3BdaHP\\_8vxl6\\_QhUHSaOIEN3ctTXoBSceZsIAB9L2pElrQbl4XLNs6HgSzQxfxdPK9PlqBDP6-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2v6cp1WJR3BdaHP_8vxl6_QhUHSaOIEN3ctTXoBSceZsIAB9L2pElrQbl4XLNs6HgSzQxfxdPK9PlqBDP6-)

aaqSjja42b1oTLN418cAyrGfEciQicixaMxVB7qRgIVYj2P1wbOkEbvYQnDQeKYwT1Og==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==], 15 May 2018.) [Excerpts.]

The Export Control Joint Unit (EJCU) of the UK Department of International Trade

(DIT) has published the following guidance on its website:

On 8 May 2018 the President of the United States confirmed that the US will begin

the process of re-imposing all US sanctions previously waived under the Joint Comprehensive

Plan of Action (JCPoA). Read more

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xqZIBHz0-WWL618vWNpMPjd-ZMRDm49MfRQrchb0ABYPrUMXqfZi6YLkEkGK250ShbeoKbnLtHzHB-AmrL6MPsh81ZKZ5J87Efr6RRO6rsCYgswgJQVJSaawxFVF3iG2846R\\_o\\_sWOFrhxUkD92B3mKOQ5RVwMD2ho830HJH7gHLyT\\_Y9XPCHwzWkpJ-6RAApFcblIRHMWqwQf1\\_\\_qB7jALgWdRJTwwf4dy-Xivf-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xqZIBHz0-WWL618vWNpMPjd-ZMRDm49MfRQrchb0ABYPrUMXqfZi6YLkEkGK250ShbeoKbnLtHzHB-AmrL6MPsh81ZKZ5J87Efr6RRO6rsCYgswgJQVJSaawxFVF3iG2846R_o_sWOFrhxUkD92B3mKOQ5RVwMD2ho830HJH7gHLyT_Y9XPCHwzWkpJ-6RAApFcblIRHMWqwQf1__qB7jALgWdRJTwwf4dy-Xivf-)

WIMqa2KznOk3EtEmdnjljKDowTWfmSrFMKrZPsp5zmqMPJ7\_u9SC9fureO6ihnLezNJ4H\_b4VrqmiA0h1inUo98g==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]

about this development.

The UK government fully supports expanding our trade relationship with Iran and encourages UK businesses to take advantage of the commercial opportunities that will arise. Department for International Trade (DIT) is in Tehran to support bilateral trade and investment. However, some sanctions remain in place so UK businesses should continue to ensure they are compliant with all sanctions regimes.

On 14 July 2015, the E3+3 (UK, France, Germany, Russia, China and USA) the EU and Iran reached a comprehensive agreement on Iran's nuclear program. This concluded over a decade of negotiations between the international community and Iran. Through the successful implementation of this deal, Iran can demonstrate its commitment to an exclusively peaceful nuclear program. Most financial and economic sanctions against Iran have now been lifted, following the International Atomic Energy Agency's verification that Iran had completed all necessary steps to reach Implementation Day (16 January 2016). Read the full text of the agreement and annexes

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xtMZU\\_w21plyHmPCDVAgXCFhkEGmPUwKll\\_d154V99HkfNT\\_9TSPlwLavbVzsdMY4R60KrcXwmOCyxH4lUhVcTmheKwnl6vbb5uyHhLihYB21imKv2Vs2NWWhdRYjUNeTCL9N7S7Loy7oZJpBxcl7xnWtDcfaW4smp5UH-YvMW1Ua&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xtMZU_w21plyHmPCDVAgXCFhkEGmPUwKll_d154V99HkfNT_9TSPlwLavbVzsdMY4R60KrcXwmOCyxH4lUhVcTmheKwnl6vbb5uyHhLihYB21imKv2Vs2NWWhdRYjUNeTCL9N7S7Loy7oZJpBxcl7xnWtDcfaW4smp5UH-YvMW1Ua&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

...

The UK government fully supports expanding our trade relationship with Iran. Iran has now received extensive economic and financial sanctions relief and will be able to trade more freely with the rest of the world. We want to help British businesses take advantage of the opportunities that economic re-engagement with Iran will bring.

UK Export Finance (UKEF), the UK's export credit agency, has reintroduced cover in to support UK companies competing for business in Iran. Cover is now available on a case-by-case basis in Pounds Sterling and Euros. Within this, and in recognition of the UK's place as a global center of excellence for financial and professional services, UKEF will make available an initial £50 million facility guaranteeing payments to UK professional advisory service providers advising the Government of Iran. UKEF will also consider applications for direct lending from purchasers of British exports to Iran. Find out more about UKEF's cover for Iran here

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vz73gG-0FGDpgQsjLC3bZk293en9uZryuouuwOe5VlrLatXWL5DqR06SL7J-ntSdB3Dic3BytwLRryh4lh46UgLBtiStDug5-eU1\\_el0nvbS2w6xZzaINt70s-cdnSTOFEDdmBmSMn3\\_iZGXKwsSkw-XHzi4FpanM&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vz73gG-0FGDpgQsjLC3bZk293en9uZryuouuwOe5VlrLatXWL5DqR06SL7J-ntSdB3Dic3BytwLRryh4lh46UgLBtiStDug5-eU1_el0nvbS2w6xZzaINt70s-cdnSTOFEDdmBmSMn3_iZGXKwsSkw-XHzi4FpanM&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

DIT will be engaging with UK businesses to provide support and assistance to help ensure UK business benefits from opportunities as they arise. UKTI based both in the UK and in the British Embassy in Tehran will play an important role in supporting trade and investment between our 2 countries.

Although most economic and financial sanctions have now been lifted, some sanctions will remain in place and are not affected by the deal. In particular sanctions related to human rights, proliferation and Iran's support for terrorism remain in place.

You will wish to consider in particular, if you are dealing with a designated person or entity, whether a certain trade product or material is restricted, and how and to whom payments will be made. UK companies will also want to consider whether their proposed activity is subject to US sanctions. It is important to ensure appropriate due diligence measures are undertaken before engaging in any activity. Iran will

remain a difficult place to do business so if in doubt you should seek legal advice.

#### More Information on Doing Business with Iran

- For more information on Doing Business with Iran see our Guide to Doing Business with Iran and FAQs

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xueeosLGEttxWF1in6sCwn-HbtI8zoOcTvmCrByJL4qblNTdxX99EkSMge79-5i3WPG5JCxj2iyavQ9n76P3ayHcuYIY7m2WvyTtRqMNSBmhFsjP4uzGlis-S8Y4zmuwLST-yPPIYEuzxccGeS3XsmQ9E4-8oDxUARr-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xueeosLGEttxWF1in6sCwn-HbtI8zoOcTvmCrByJL4qblNTdxX99EkSMge79-5i3WPG5JCxj2iyavQ9n76P3ayHcuYIY7m2WvyTtRqMNSBmhFsjP4uzGlis-S8Y4zmuwLST-yPPIYEuzxccGeS3XsmQ9E4-8oDxUARr-ttRM2VVhCeCXD7z2KUC=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)

[ttRM2VVhCeCXD7z2KUC=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xueeosLGEttxWF1in6sCwn-HbtI8zoOcTvmCrByJL4qblNTdxX99EkSMge79-5i3WPG5JCxj2iyavQ9n76P3ayHcuYIY7m2WvyTtRqMNSBmhFsjP4uzGlis-S8Y4zmuwLST-yPPIYEuzxccGeS3XsmQ9E4-8oDxUARr-ttRM2VVhCeCXD7z2KUC=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)]

- Find out more about UKEF's country cover for Iran here

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vz73gG-0FGDpgQsjLC3bZk293en9uZryouuwOe5VlrLatXWL5DqR06SL7J-ntSdB3Dic3BytwLRryh4lh46UgLBtiStDug5-eU1\\_el0nrbS2w6xZzaInt70s-cdnSTOFEDdmBmSMn3\\_iZGXKwsSkw-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vz73gG-0FGDpgQsjLC3bZk293en9uZryouuwOe5VlrLatXWL5DqR06SL7J-ntSdB3Dic3BytwLRryh4lh46UgLBtiStDug5-eU1_el0nrbS2w6xZzaInt70s-cdnSTOFEDdmBmSMn3_iZGXKwsSkw-XHzi4FpanM&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)

[XHzi4FpanM&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vz73gG-0FGDpgQsjLC3bZk293en9uZryouuwOe5VlrLatXWL5DqR06SL7J-ntSdB3Dic3BytwLRryh4lh46UgLBtiStDug5-eU1_el0nrbS2w6xZzaInt70s-cdnSTOFEDdmBmSMn3_iZGXKwsSkw-XHzi4FpanM&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)].

- The EU has published an information note on the EU Sanctions to be lifted under the JCPoA and it is available on the Europa website

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xt2ZanR7hDB1DVAUkSqVZR7NeAzlzKcpZH4CnzI7bjbmt\\_Jh4JIQfscddFltSLRzKHC0DhozorjYf4jR2F2YaNSNS\\_um7fwv8luFPcYgtFe\\_\\_nnom6k2VMuO3RReHPoBrq66EvzIHkl7CIC07SWbvwIMTAO-5HMvpO\\_cHWbKxq6dR-z9Vn006DvGBLiByMJnQ9B3X7jDOX1ZKcQf-cVVcK8uc2S5d7DrqWmIf9078Ax&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt2ZanR7hDB1DVAUkSqVZR7NeAzlzKcpZH4CnzI7bjbmt_Jh4JIQfscddFltSLRzKHC0DhozorjYf4jR2F2YaNSNS_um7fwv8luFPcYgtFe__nnom6k2VMuO3RReHPoBrq66EvzIHkl7CIC07SWbvwIMTAO-5HMvpO_cHWbKxq6dR-z9Vn006DvGBLiByMJnQ9B3X7jDOX1ZKcQf-cVVcK8uc2S5d7DrqWmIf9078Ax&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)].

- The US Office of Financial Asset Control has issued guidance on Iran and it is available on the US Department of the Treasury website

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xt2ZanR7hDB1YX-UMmTSjksq5b2YIITICpTbcGufiKPTuhZOAC6\\_XP1LuSyMgKOhaE\\_Ox4KjbwsIRCGu0pCVWo4aS\\_jnK6Dkwq3x0hqVxB8qy1-kLAT1XCJav23Sq70LpS\\_PrVnGCpLwtyy-eBhAk9ZwDMOLZEKSSiHRXmIPFowZ1UZW-uVO-v6tojkGundFAkFV2hD1MBoO&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt2ZanR7hDB1YX-UMmTSjksq5b2YIITICpTbcGufiKPTuhZOAC6_XP1LuSyMgKOhaE_Ox4KjbwsIRCGu0pCVWo4aS_jnK6Dkwq3x0hqVxB8qy1-kLAT1XCJav23Sq70LpS_PrVnGCpLwtyy-eBhAk9ZwDMOLZEKSSiHRXmIPFowZ1UZW-uVO-v6tojkGundFAkFV2hD1MBoO&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)].

- The Export Control Organization has issued Notice to Exporters 2016/05

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xt2ZanR7hDB1XTQ4GJnU01b2x1r1o4kZ8oX54slnK0atRMCfQv7oF1f-hKw2FQYe5WbwwJYI88tihVYam7TTyuD44I6E8QFmyZEj6LwsonTi1wtvcyaRQA2Yq\\_Y7kKqrkWO7GTUV5i57HI\\_01kYtdIW2y2k-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt2ZanR7hDB1XTQ4GJnU01b2x1r1o4kZ8oX54slnK0atRMCfQv7oF1f-hKw2FQYe5WbwwJYI88tihVYam7TTyuD44I6E8QFmyZEj6LwsonTi1wtvcyaRQA2Yq_Y7kKqrkWO7GTUV5i57HI_01kYtdIW2y2k-1UwGbSH7ZTii1NQA9F0syUddLRqu67VziuZm1XtXBf4IXQvJeHKZfGkixHHQaaQYFeXSpDhVbEPvgi5bUjtVWRtgKFJ9H7XczpSXYtjZ-ajHSMkoF87hBfLlx8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)

[1UwGbSH7ZTii1NQA9F0syUddLRqu67VziuZm1XtXBf4IXQvJeHKZfGkixHHQaaQYFeXSpDhVbEPvgi5bUjtVWRtgKFJ9H7XczpSXYtjZ-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt2ZanR7hDB1XTQ4GJnU01b2x1r1o4kZ8oX54slnK0atRMCfQv7oF1f-hKw2FQYe5WbwwJYI88tihVYam7TTyuD44I6E8QFmyZEj6LwsonTi1wtvcyaRQA2Yq_Y7kKqrkWO7GTUV5i57HI_01kYtdIW2y2k-1UwGbSH7ZTii1NQA9F0syUddLRqu67VziuZm1XtXBf4IXQvJeHKZfGkixHHQaaQYFeXSpDhVbEPvgi5bUjtVWRtgKFJ9H7XczpSXYtjZ-ajHSMkoF87hBfLlx8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)

[ajHSMkoF87hBfLlx8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt2ZanR7hDB1XTQ4GJnU01b2x1r1o4kZ8oX54slnK0atRMCfQv7oF1f-hKw2FQYe5WbwwJYI88tihVYam7TTyuD44I6E8QFmyZEj6LwsonTi1wtvcyaRQA2Yq_Y7kKqrkWO7GTUV5i57HI_01kYtdIW2y2k-1UwGbSH7ZTii1NQA9F0syUddLRqu67VziuZm1XtXBf4IXQvJeHKZfGkixHHQaaQYFeXSpDhVbEPvgi5bUjtVWRtgKFJ9H7XczpSXYtjZ-ajHSMkoF87hBfLlx8=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)]

on this development.

#### Prohibited Activities

The following activities remain banned under the proliferation-related sanctions:

- sale, supply, transfer or export to Iran, of all military goods and technology as listed in the UK Military List

- sale, supply, transfer or export of missile-related goods and technology as listed in Annex III of Council Regulation (EU) 267/2012

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vXZi\\_2mneutYFF6ZY84YgXtWhpBHA8Zp-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vXZi_2mneutYFF6ZY84YgXtWhpBHA8Zp-uJfBSnxSwn6lwjG6wL2DHfGcQbqj3micUPNHullj4dZeHmJow8w3W1aUADkMRpaYfQZvxpDIIWYWj_u04leLrdF_i6jR5qciUQOUSXQsjymFi4xjQo4F1_GAMUqBtA14Ji5y6exo1yLcDqEb9F4vdsQNK66S_WpiTy_LDil4jugcHHPWwsYZKWRaf6Tn9Pj-eUodl40Hq3ckj4-amMfBIXQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)

[uJfBSnxSwn6lwjG6wL2DHfGcQbqj3micUPNHullj4dZeHmJow8w3W1aUADkMRpaYfQZvxpDIIWYWj\\_u04leLrdF\\_i6jR5qciUQOUSXQsjymFi4xjQo4F1\\_GAMUqBtA14Ji5y6exo1yLcDqEb9F4vdsQNK66S\\_WpiTy\\_LDil4jugcHHPWwsYZKWRaf6Tn9Pj-eUodl40Hq3ckj4-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vXZi_2mneutYFF6ZY84YgXtWhpBHA8Zp-uJfBSnxSwn6lwjG6wL2DHfGcQbqj3micUPNHullj4dZeHmJow8w3W1aUADkMRpaYfQZvxpDIIWYWj_u04leLrdF_i6jR5qciUQOUSXQsjymFi4xjQo4F1_GAMUqBtA14Ji5y6exo1yLcDqEb9F4vdsQNK66S_WpiTy_LDil4jugcHHPWwsYZKWRaf6Tn9Pj-eUodl40Hq3ckj4-amMfBIXQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)

[amMfBIXQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vXZi_2mneutYFF6ZY84YgXtWhpBHA8Zp-uJfBSnxSwn6lwjG6wL2DHfGcQbqj3micUPNHullj4dZeHmJow8w3W1aUADkMRpaYfQZvxpDIIWYWj_u04leLrdF_i6jR5qciUQOUSXQsjymFi4xjQo4F1_GAMUqBtA14Ji5y6exo1yLcDqEb9F4vdsQNK66S_WpiTy_LDil4jugcHHPWwsYZKWRaf6Tn9Pj-eUodl40Hq3ckj4-amMfBIXQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)]

- provision of technical assistance, brokering services and financial assistance related to the above
- import from Iran of military and missile-related goods and technology
- investment in Iranian enterprises engaged in manufacture of military goods, and a ban on investment by an Iranian person in a commercial activity related to production or use of missile-related goods

The following is prohibited under the sanctions imposed in view of the human rights situation in Iran as set out in Council Regulation (EU) 264/2012

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2v\_ifUbiVe6K13GmSuqZb0w2UEK3Nt92lx\_HiUrGrCbKTmiBI4iPAP-4fj7crA-

J1IYNEzQFo0BMgGJT7yM00r5K0OihvnVGUuaA8NT1lonuJ3oKFRHRYGorCQYYH0\_RGOftjWOM\_sNfboVFfZrhChVtFGcHap5yZAJZmWg3ahJKv0CYnbQVWJ40BUK5otQGCVyGzHVBksnJD9zeh56iB7Fw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

- sale, supply, transfer or export of equipment which might be used for internal repression as listed in Annex III of Council Regulation (EU) 264/2012
- provision of technical assistance, brokering services and financial assistance related to the above.

In addition, restrictive measures remain in place against individuals and entities who remain listed in Council Regulation 267/2012

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vXZi\_2mneutYFF6ZY84YgXtWhpBHA8Zp-

uJfBSnxSwn6lwjG6wL2DHfGcQbqj3micUPNHullj4dZeHMJow8w3W1aUADkMRpaYfQZvxpDIIWYWj\_u04leLrdF\_i6jR5qciUQOUSXQsjymFi4xjQo4F1\_GAMUqBtA14Ji5y6exo1yLcDqEb9F4vdsQNK66S\_WpiTy\_LDii4jugcHHPWsyZKWRaf6Tn9Pj-eUodl40Hq3ckj4-

amMfBIXQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]

and in Council Regulation 264/2012

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vGcRCjP6Owt eQpDaxoMuE5fZ0QGI0eXJnQA2rkD02eHAQroemx9Imrq8ygkQmmrxEwM2VUdYxDOWS1trWN7533JrniLKABG1i5JX7PikQ QpOVUkEo9jz7YA1vKTZJ\_0l-

K84acCedsk063n0KVqbY4nsafbsSGnjlsYaUJ2d86QNNfDswnuZqs8s8juWi\_Di23odgn4T7f5sFpVRbuQFcHw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==],

as well as under EU terrorism and other EU sanctions regimes.

UK businesses should ensure they are compliant with all remaining sanctions regimes.

It is important to conduct due diligence and ensure compliance with sanctions regimes before signing business contracts, as with any market.

Activities that Require a License

The following activities require a license under the proliferation-related sanctions:

- sale, supply, transfer or export of nuclear-related items as listed in Annex I of the Regulation

- provision of technical assistance, brokering services and financial assistance related to items listed in Annex I of the Regulation

- investment by an Iranian person, entity or body in a commercial activity related to uranium mining or the manufacture of items listed in Annex I of the Regulation

These nuclear-related activities can only be authorized if they have been approved in advance by the UN Security Council through the newly-established Procurement Channel. UK persons wishing to supply these goods or services to Iran, or to accept an investment by an Iranian person, must seek a license from the Export Control Organization (ECO) in the Department of DIT. The ECO will consider the application and where appropriate seek the required authorization from the UN. The ECO has published

detailed guidance on the Procurement Channel

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xpNGL-liWlb6xJuiwO9vPnr78pLinyVA\\_S8vXP-ndJl1CK6n0mRgVBXyJY9t5bO8SWs46FopRI-27EXupymkmL8tBozTPPz8Xp0FM90gpZakrClulOzLJ-8L6n869p9ImfS7pGC-z97VjytQo1Lkx9GSRNwZUFEaUL5p0HZ5FrTRsqUQT14bu8yVBfXJzM3DsFPU15k--mf6TTBE58vnKZbQs\\_1IAkEgGA==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xpNGL-liWlb6xJuiwO9vPnr78pLinyVA_S8vXP-ndJl1CK6n0mRgVBXyJY9t5bO8SWs46FopRI-27EXupymkmL8tBozTPPz8Xp0FM90gpZakrClulOzLJ-8L6n869p9ImfS7pGC-z97VjytQo1Lkx9GSRNwZUFEaUL5p0HZ5FrTRsqUQT14bu8yVBfXJzM3DsFPU15k--mf6TTBE58vnKZbQs_1IAkEgGA==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

A license is also required for:

- sale, supply, transfer or export of nuclear-related items as listed in Annex II of the Regulation
- provision of technical assistance, brokering services and financial assistance related to items listed in Annex II of the Regulation
- investment by an Iranian person, entity or body in a commercial activity related to the items listed in Annex II of the Regulation

These items are not subject to the Procurement Channel process.

Sanctions imposed in view of the human rights situation in Iran are set out in Council Regulation (EU) 264/2012

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2v\\_ifUbiVe6K13GmSuqZb0w2UEK3Nt92Ix\\_HiUrGrCbKTmiBI4iPAP-4fj7crA-J1IYNEzQFo0BMgGJT7yM00r5KOoihvnVGUuaA8NT1lonuJ3oKFRHRYGorCQYYH0\\_RGOftjWOM\\_sNfboVFznZrhChVtFGcHap5yZAJZmWg3ahJKv0CYnbQVWJ40BUk5otQGCVyGzHVBksnJD9zeh56iB7Fw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2v_ifUbiVe6K13GmSuqZb0w2UEK3Nt92Ix_HiUrGrCbKTmiBI4iPAP-4fj7crA-J1IYNEzQFo0BMgGJT7yM00r5KOoihvnVGUuaA8NT1lonuJ3oKFRHRYGorCQYYH0_RGOftjWOM_sNfboVFznZrhChVtFGcHap5yZAJZmWg3ahJKv0CYnbQVWJ40BUk5otQGCVyGzHVBksnJD9zeh56iB7Fw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

The following requires a license:

- sale, supply, transfer or export of equipment which might be used for the monitoring or interception of internet or telephone communications as listed in Annex IV of the Regulation
- provision of technical assistance, brokering services and financial assistance related to items listed in Annex IV of the Regulation
- provision of telecommunication or internet monitoring or interception services of any kind to, or for the direct or indirect benefit of, Iran's government, public bodies, corporations and agencies or any person or entity acting on their behalf or at their direction

Financial sanctions may still be relevant to your transaction, including interaction with those persons and entities that remain designated. It is your responsibility to ensure you comply with financial sanctions. For more information see the HM Treasury guidance relating to nuclear proliferation

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xt2ZanR7hDB14q1FhcnXZTMxN9HPw6Ri6pqJ6VpYCMos0BNEcpcrp8qM7\\_0\\_EddumlldA-n9cXJMj1KgK7rTWuBmeopl5WzcyTPBKcHlf51jQ6UNr-xZ8ZFnsK2dXUUowGxllReA1jPPEAi\\_AEcuR5n6iPEvec3ebg8QvqAGUsYS\\_04zH6WVkdHJcVNR-begUZKykjvQAlqnAX4NBcFRW0=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt2ZanR7hDB14q1FhcnXZTMxN9HPw6Ri6pqJ6VpYCMos0BNEcpcrp8qM7_0_EddumlldA-n9cXJMj1KgK7rTWuBmeopl5WzcyTPBKcHlf51jQ6UNr-xZ8ZFnsK2dXUUowGxllReA1jPPEAi_AEcuR5n6iPEvec3ebg8QvqAGUsYS_04zH6WVkdHJcVNR-begUZKykjvQAlqnAX4NBcFRW0=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)]

and human rights violations

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2v8XsxaUUJN5zqbNq64xgG7RsZQqKSfCRvsYHN4ej\\_q9WBM8Fl6poIXGJChPchDlmfIYZPNDKrfNKRe-Q6lmLgmzjHK6JP78BdolGySyFcNO-FQib1AYcGW7xLvCSYlo9FfSeUk2B0giYcf3ytrAhUMmxxYKWQknByrCOKnWbKEvivDvhwJq1c0coqNxStVbFI&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2v8XsxaUUJN5zqbNq64xgG7RsZQqKSfCRvsYHN4ej_q9WBM8Fl6poIXGJChPchDlmfIYZPNDKrfNKRe-Q6lmLgmzjHK6JP78BdolGySyFcNO-FQib1AYcGW7xLvCSYlo9FfSeUk2B0giYcf3ytrAhUMmxxYKWQknByrCOKnWbKEvivDvhwJq1c0coqNxStVbFI&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)]

and please refer to the Treasury's consolidated list which includes all Iranian individuals and entities listed under EU and UK sanctions regimes (including those listed for Counter Terrorism purposes or under the Syria regime).

- Financial sanctions, Consolidated List

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xqMTfFIxk8xtLArkv4dlDlBE](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xqMTfFIxk8xtLArkv4dlDlBE)]



cwVbf8rvUWqeiO7mQD7mLun3OH\_9aVYCR\_bSmfjjJM7wSMoNY4efiwUTX7u0Cuo1-  
 nUi9StQ26dN\_EDgmrTG6BnK3ySqZgaW2Ty\_aPEEJy\_AfFwQ4WB8bFOeb5WGL8rQLwqj8BNmh\_yoJQgaLnfdrfiG6pzfvLqBS  
 5wKDwCl5XfwNp\_MUQtKECjbPy2umhhXLHbqnVHcSUoJW1TxhkHckDiYhbFnIKudfiMarrF2jIw==&c=aIJPopSSJkS66qtL8VC  
 mtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-  
 kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]

#### End-use Controls

If your items are not listed specifically as a result of specific sanctions regulations, you may still need a license under so-called 'end-use controls'. This aspect of export controls covers licensing of items that might potentially be used in a Weapons of Mass Destruction (WMD) program or military goods.

These controls are outlined in Article 4 of Council Regulation 428/2009 (the

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xm7xlh6hl1gaEPA00OhX8  
 VWBoao-ZRd0BTBgjRmFEU6ocjCF481m4fRNwd9\_HDF\_AeE1Ygl8X-95w5jaDDwbuC84A57vJhmoN-  
 ZdbG0NNFWH5d9eq6Pc2\_XJaq2bVUmd7LsJIUvIQV4Thx0OasKU47P6aZEc6CfQ6fUkes9NSfuBhX3DGFO4WqVpcg8LAqEQ  
 v5zn4OUsnNy7Kw-

hW5DGRPohTcGJHiixA==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-  
 kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]

#### EU Dual-Use Regulation)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xm7xlh6hl1gaEPA00OhX8  
 VWBoao-ZRd0BTBgjRmFEU6ocjCF481m4fRNwd9\_HDF\_AeE1Ygl8X-95w5jaDDwbuC84A57vJhmoN-  
 ZdbG0NNFWH5d9eq6Pc2\_XJaq2bVUmd7LsJIUvIQV4Thx0OasKU47P6aZEc6CfQ6fUkes9NSfuBhX3DGFO4WqVpcg8LAqEQ  
 v5zn4OUsnNy7Kw-

hW5DGRPohTcGJHiixA==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-  
 kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]

and in the Export Control Order 2008

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xqFA9PCwJWlygZR4-  
 RsUZME79dcyZfx\_wnLEUI3Bzcv4s6kT959vJsaCJ9m2DAxyoZxyy7UZOR4mKhrgpco6kQPHD\_tMity5ss6Cwl0TRdrOq4g8iGsC  
 EEiqYuDxcNBUiEiREIDTIOYVcC8aX2npgpoT25mSZd\_ssalkEZUU4ueK1z2rgTvYj24=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dX  
 pPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==].

For more information on end-use controls, see the guide on WMD

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vaKPkLxwujJ1  
 7zuEs9VU-

bQQQUyeiIZ0FW\_\_nAhvSg4Cv5PD\_pXAYih4awMJtLB6OKamC6eNnqKat4MISLUSmhvp1scTiEIB14EJoZ4imnJONTviAwMw  
 29qRBWgUBs56F4spZ7I86oKs-6uuehQgIH-

9ShMdhmgWQ5RrOUtjd8bY=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8  
 m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]

#### End-Use Control

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vaKPkLxwujJ1  
 7zuEs9VU-

bQQQUyeiIZ0FW\_\_nAhvSg4Cv5PD\_pXAYih4awMJtLB6OKamC6eNnqKat4MISLUSmhvp1scTiEIB14EJoZ4imnJONTviAwMw  
 29qRBWgUBs56F4spZ7I86oKs-6uuehQgIH-

9ShMdhmgWQ5RrOUtjd8bY=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8  
 m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]

#### and Military End-Use Control

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vG95kz8A7Fb  
 XFW6T3AiC3MkoXe2Ai9aa9j3YxidomqYcV8JTiRjCwPeZCL2rGJohTuzhAisqkMJ9HQ68kuhfeXB5f2UoC5B3AtGOH08dhnNu  
 REZksN41ECXY0-

f6wdShSe4t8IovxYcUyUYs95hwGvaYqGbCxMbbO&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa  
 ==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==].

If you have any concerns about exporting to an end-user in Iran, you should consider seeking advice from the ECO

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vWSIDwPqrhZ

VPJmuZMqv770u4jYafnUkod5zuO\_ToZIBQ1JK5hJxOcRkUMioLhAbeQEmzV5OBFLXw2w9CHVc7mGFhevNkJnenVCC75iXf9  
 ebLN06QTz0tu9cmVm4Zbiz2Rud63RqWJK-NV\_nUUULCYr-  
 wVdoNo3RsMQEh82t9OpE=&c=aIJPopSSJkS66qtl8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m  
 -kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]  
 End-User Advice Service  
 [http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vWSIDwPqrhZ  
 VPJmuZMqv770u4jYafnUkod5zuO\_ToZIBQ1JK5hJxOcRkUMioLhAbeQEmzV5OBFLXw2w9CHVc7mGFhevNkJnenVCC75iXf9  
 ebLN06QTz0tu9cmVm4Zbiz2Rud63RqWJK-NV\_nUUULCYr-  
 wVdoNo3RsMQEh82t9OpE=&c=aIJPopSSJkS66qtl8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m  
 -kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==].

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8.

Singapore Customs Announces Joint-Customs-CA Seminar on 21 May 2018

(Source: Singapore Customs

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vywiNK-
 2JMYUhDWr7RzVEFZLMY5gsi984KNBI3bLqIfcWZGKIDkAapvbiBxMAAabiHEeUF3d0BNslOaTKYlp6Gc_TT8cDC3axrTKgq-
 cWZY2MzQQFW8ZoEk3LWxkwdvI0lnASfm1W4DRsFVLJqonNPVHuRaxa9gFWLj6_JkEpd_qGTnMyUiKIYzn613P1BYs1iG8fb
 13aul=&c=aIJPopSSJkS66qtl8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-
 kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==],
 Notice No. 07/2018, 9 May 2018.)

As part of its ongoing efforts to share Customs requirements with the business community,
 Singapore Customs together with some Competent Authorities (CA) will be organizing
 a Joint Customs-CA Seminar on 21 May 2018.

The details of the program are available here

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vywiNK-
 2JMYUhDWr7RzVEFZLMY5gsi984KNBI3bLqIfcWZGKIDkAapvbiBxMAAabiHEeUF3d0BNslOaTKYlp6Gc_TT8cDC3axrTKgq-
 cWZY2MzQQFW8ZoEk3LWxkwdvI0lnASfm1W4DRsFVLJqonNPVHuRaxa9gFWLj6_JkEpd_qGTnMyUiKIYzn613P1BYs1iG8fb
 13aul=&c=aIJPopSSJkS66qtl8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-
 kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==].

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NEWS

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9.

Deutsche Welle: "German Arms Firm H&K's Ex-Staff on Trial over Mexico Gun Deal"

(Source: Deutsche Welle

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xjl6kn1Gqf2vTPZU008tZhI  
 XFfXjhggTt-  
 XBXYxksjvTkH8GNf7OtuAHTQ1yeo2P9mDotwFLR8GXcHWmPrtS4XCHICWBSq9albMdiJN8dtN\_IL7BYW4ZJt1Dw0QY0XdC  
 e-zmbONhZYhNfnbbTJhKUvy1JrQ5bB0g\_pE99DiQvlyxOtjgVinGVwWvFqSHpXMR4WmRKVLucm7EZ-  
 weLPJT4=&c=aIJPopSSJkS66qtl8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-  
 kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==],  
 15 May 2018.) [Excerpts.]

Six ex-employees of Heckler & Koch have gone on trial in Stuttgart for selling assault



rifles to Mexico. Activists held a vigil for victims of those believed to be killed by the German gun-maker's arms outside the court.

It took eight years for the proceedings to make it this far, but on Tuesday the German state's case against the country's most infamous gun-maker - which also supplies small arms to many NATO countries - was finally brought to trial.

Six former employees of Heckler & Koch stood accused of violating Germany's War Weapons Control Act and its Foreign Trade Act by selling thousands of G36 assault rifles to Mexico - while knowing full well that they would be used in four violence-ridden Mexican states. ...

"This is the biggest small arms trial this country has ever seen - this is a huge success, because this shadowy arms export approval system will be made public," [attorney Holger] Rothbauer said. "But pawn sacrifices are being made - and why? Because the system only wants one part to be put in the dock: namely the representatives of the arms industry, and not the political representatives, and not the representatives of the export control authorities." ...

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10.

Reuters: "U.S. Imposes Sanctions Against Iran Central Bank Governor, Iraq-Based Bank"

(Source: Reuters

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2Tld5r1fMolhFB08Gb\_xjl6kn1Gqf2vzekF81xs9TTvhYzJ2J1t57fnOKIsZYIeTILRIIdN5srpoEW\_F\_AXMFrqEwz0HdYIbioYCLXku2VrAtUiplhczSefrIRYI1TPnxvtQKiU3Zt7folf03YtQHq3nhic\_YE1POXSeQ\_NjAEJZ-UXasDkjOMKMDoy5XaCybBeK-Ed5IjtExH4sPbIrludma1J8pLQoc2dtaKnpPK9J59vOhi1ontHcucsfq44JaWeRDRVlax4eCOsIKXHR2pp67k41gkOJW\_wC6yMmPAQkktAuHhEw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfltkpAOiVIJSwGap9aDIm7wUA1mz6A=],

15 May 2018.) [Excerpts.]

The United States on Tuesday imposed sanctions on Iran's central bank governor, Valiollah Seif, and Iraq-based Al-Bilad Islamic Bank for "moving millions of dollars" for Iran's elite Revolutionary Guard Corps, as Washington seeks to cut off funding for what it says is Iran's malign activities in the Middle East. ...

The United States classifies Lebanon's Shi'ite Muslim movement Hezbollah, which is backed by Iran, as a terrorist group. ...

The U.S. Treasury also blacklisted Ali Tarzali, assistant director of the international department of Iran's central bank, and the chairman of Al-Bilad Islamic Bank, Aras Habib.

The department said the sanctions against Seif and Tarzali would not immediately affect central bank transactions. It said, however, sanctions being reimposed under the nuclear deal would affect certain U.S. dollar transactions by the central bank starting on Aug. 7, 2018.

Last week, two days after U.S. President Donald Trump withdrew from the 2015 Iran nuclear deal, the U.S. Treasury imposed sanctions against six individuals and three companies it said were funneling millions of dollars to the IRGC-QF.

The IRGC is by far Iran's most powerful security entity and has control over large stakes in Iran's economy and huge influence in its political system. The Quds Force is an elite unit in charge of the IRGC' overseas operations.

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11.

The Washington Times: "Trump Administration Moves to Shift Small Arms Gun Export Approval from State Department to Commerce"

(Source: The Washington Times

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vxamzyT5icljqWWK\\_Y3xaFXXbYhEsCh1CFX06z6Xa9NXXRB2VZf4J1mM-R-6g0ziT1Res6R38Zd9bSKOFpHNjk54t44PJpQ0OqFAKn9KY6v2B4TZEHEEwPrO3\\_B3lxFlcm8PU8V75IZ4rcTT0Z8Bxopz1Jg6AbGCStaQ09xAv35irU61RY1tKJ6HDrYTgoDLs4kus0QrBd-Bu7p2fJhn52OeQz16a0OtC&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vxamzyT5icljqWWK_Y3xaFXXbYhEsCh1CFX06z6Xa9NXXRB2VZf4J1mM-R-6g0ziT1Res6R38Zd9bSKOFpHNjk54t44PJpQ0OqFAKn9KY6v2B4TZEHEEwPrO3_B3lxFlcm8PU8V75IZ4rcTT0Z8Bxopz1Jg6AbGCStaQ09xAv35irU61RY1tKJ6HDrYTgoDLs4kus0QrBd-Bu7p2fJhn52OeQz16a0OtC&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)],  
14 May 2018.) [Excerpts.]

The Trump administration took a major formal step Monday toward officially shifting authority from the State Department to the Commerce Department over the approval of U.S. small arms exports, including semiautomatic rifles and weapons ranging in size up to .50 caliber.

In a closed-door briefing for lawmakers, State and Commerce officials outlined specifics of the shift long sought by small arms manufacturers as a way to cut red tape and boost exports - but decried by pro-regulation Democrats who warn the policy change could dissolve barriers designed to keep U.S.-made firearms from criminals and terrorists overseas.

While Congress could still block the initiative - Monday's briefing on Capitol Hill sets in motion a public comment period that lasts for 45 days - administration officials are touting the policy as breakthrough for U.S. manufacturing and stress that key restrictions on exports to unsavory international buyers will remain in place. ...

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COMMENTARY

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12. D.M. Edelman: "Trump Cancels Iran Deal: Can Your Company Still Do Business?"

(Source: Export Compliance Matters

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2vCD8Eok5PFY457Ud6qa5GUko9SE6tvTeID\\_avitRqqvmHdFi40mFy6\\_9HoueMe-CdCb3cP5e8ZzTfiQQdaaAIHsFylc\\_Xzebp\\_5Kr6l7SPSvX35Rbcq8o12wLehosbxrbihc1CMNLSUzG9sEqmI4-o0GVUmo7fpaWve51qpwdpnxfZSEFumwn8xf6lwCnRi09MzH8-a5V1sEFNDV2BLHrrEq0V3EMPv5eiB1Ejd0oRI=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2vCD8Eok5PFY457Ud6qa5GUko9SE6tvTeID_avitRqqvmHdFi40mFy6_9HoueMe-CdCb3cP5e8ZzTfiQQdaaAIHsFylc_Xzebp_5Kr6l7SPSvX35Rbcq8o12wLehosbxrbihc1CMNLSUzG9sEqmI4-o0GVUmo7fpaWve51qpwdpnxfZSEFumwn8xf6lwCnRi09MzH8-a5V1sEFNDV2BLHrrEq0V3EMPv5eiB1Ejd0oRI=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)],  
14 May 2018.)

\* Author: Doreen M. Edelman, Esq., Baker Donelson LLP, 202-508-3460, [dedelman@bakerdonelson.com](mailto:dedelman@bakerdonelson.com) [<mailto:dedelman@bakerdonelson.com>].

On May 8, President Trump announced that the U.S. will withdraw from the Iran nuclear deal, formally known as the Joint Comprehensive Plan of Action (JCPOA), and reimpose the strict economic sanctions program that was in place prior to the landmark 2015 agreement. The U.S. Treasury Department's Office of Foreign Assets Control issued a Frequently Asked Questions

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xlKTB-J1Hdv9IBWTc6-GkqBDPMenHWuO3rxq45LFsRHpFz2MKWRzfp2wbmeHbOLplh9kt2w8YNxID5yXlcwQgWbU\\_BC-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xlKTB-J1Hdv9IBWTc6-GkqBDPMenHWuO3rxq45LFsRHpFz2MKWRzfp2wbmeHbOLplh9kt2w8YNxID5yXlcwQgWbU_BC-)

ysnCwAV2ioLDRm3nXUX3VepGq3Nx9nvBfCZVUjcMWW0HqHHBoxz\_6NsH1wbKfqFj1EQvRX7Vcs2jiAvupA2d7-  
b5orwdjdsiBktD5V0JHzEI\_OTG6AHYIFnae22voeRTm-  
JBEQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\_rtr8m-  
kdkYq40oWnMfltkpAOiVIJSwGap9aDIm7wUA1mz6A==]

document in coordination with the announcement to assist with the implementation of the Iran sanctions program. Here is the bottom line so far.

Following a wind-down period, all U.S. nuclear-related sanctions that were lifted to effectuate JCPOA sanctions relief will be reimposed. Certain sanctions are subject to a 90-day wind-down period that will be formally reimposed on August 6, and the rest are subject to a 180-day wind-down period ending on November 4. On November 5, General License H, which allows U.S.-owned or U.S.-controlled foreign companies to do business in Iran, will be gone. The most significant sanctions to be reimposed are "secondary sanctions," which place strict limits on foreign companies doing business with Iran.

As a result of the reimposition of secondary sanctions, foreign entities, even those not owned or controlled by U.S. parties, will have to decide whether they want to do business with Iran or the U.S. Specifically, foreign entities will not be able to do business in Iranian rials and do business with or through the U.S. banking system. Such businesses could also be added to the Specially Designated Nationals and Blocked Persons lists.

Other specific provisions that will be rolled back and directly affect U.S. entities concern the sale of airplanes and parts, Iranian carpets and foodstuffs, and certain financial transactions that were permitted under the Iranian Transactions and Sanctions Regulations (ITSR). These provisions are subject to the 90-day wind-down period.

As an ongoing reminder, none of these changes affect the ITSR's general prohibition against U.S. persons doing business with Iran. This means the prohibitions on sales to Iran that existed before the JCPOA still exist. No U.S. parties can sell any products to Iran unless specifically authorized. This means no paperclips, coffee mugs, etc., can be sent to Iran unless the transaction is covered by a license.

The President also reimposed sanctions on Iranian government trade in gold and precious metals, the purchase of U.S. dollar banknotes, and the direct and indirect sale of certain metals and software, as well as sanctions involving Iran's automotive, port, shipbuilding, petroleum, banking and energy sectors, and the issuance of Iranian sovereign debt.

U.S. and foreign entities must quickly evaluate all current and future business and investments in and with Iranian entities and determine if there are any exceptions to divesting of all Iranian business activities. Moreover, any facilitation of Iranian activities must also be considered. These changes are new, and there may be additional guidance provided for foreign entities to apply for additional exemptions or waivers. European Union (E.U.) leaders have already said they plan to press the U.S. government for potential carve-outs to the sanctions for European companies. However, as of today, the Administration wants all global businesses to decide whether they will do business with the U.S. or do business with Iran. Regulatory compliance obligations may become even trickier if the E.U. implements a protected harbor or blocking regulation for European companies doing business with Iran. It will be critical to follow the implementation of the Iranian sanctions program as well as the E.U.'s diplomatic efforts and response during the wind-down period over the course of the coming months.

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13. G. Husisian: "The Twelve Compliance Steps Every Multinational Corporation Should Undertake in Light of Recent Trump Administration Enforcement Activity" (Part I of IV)

(Source: Foley & Lardner LLP)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2v_jA_omGjvKmEsnP5QioDxh-JPkQzLjwXAQvdfWH61e-X85SclybzqwoJ0-Ewe3a9f0PWqe40zgvNsokZoPP4m6F9e5n5jifBXEJB5v12cgnTbcKmX1af4rjrkx2SmAcBVWG7jHrjFI5qBDod1OCVPpqFGjFoQiaKTESF5PuAsrvGvEwkSOM_eUwwEBJG54RCok7DiHjiUQicpo2YNmPkhI01-sKHmwVzRFNUyCwEpVUewOqoS54VDrLx9Fhzge5crDHXYVf679DFeJSEF4NWEnsE8RksJzTHVpzcRciDGV0InNh2ha9RA==&c=aJlPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==],
14 May 2018.)

* Gregory Husisian, Esq., ghusisian@foley.com [<mailto:ghusisian@foley.com>], Foley & Lardner LLP, Washington DC.

[Editor's Note: due to space limitations, this article has been divided into four parts. We will post one part each day, from Tuesday, 15 May until Friday, 18 May 2018.]

Over the last month, regulators with the Trump administration sent a loud message to companies subject to U.S. jurisdiction: Enforcement of laws governing international activities is alive and well and the laws will continue to be enforced with vigor. Companies that are subject to U.S. jurisdiction - whether because they are located within the United States or otherwise subject to U.S. jurisdiction (such as through the use of U.S.-origin goods or the use of the U.S. financial system) - need to evaluate whether their compliance measures are sufficient to detect and halt potential violations of U.S. international regulations, including the Foreign Corrupt Practices Act (FCPA), U.S. export control regulations (the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), the economic sanctions regulations maintained by the Office of Foreign Assets Control (OFAC), and the various anti-money laundering laws.

As recent enforcement activity under the Trump administration illustrates, enforcement of this suite of international regulatory laws is alive and well. In light of these developments, this Client Alert summarizes the most recent enforcement activity, as well as the steps that companies subject to U.S. jurisdiction can take to identify and mitigate the risk of costly enforcement actions under these regulatory regimes. Recent Enforcement Activity Shows U.S. Government Willingness to Impose Record Penalties for Violations of International Regulations

Under the Obama administration, enforcement of the FCPA, export controls, economic sanctions, AML, and FCPA regulations was steady and strong. Although the numbers varied year by year - mostly due to timing issues related to when large matters were settled - it was not uncommon to see large enforcement settlement that surpassed the \$100 million level.

Any thought that the Trump administration might take a more lenient approach toward these international regulations has been laid to rest by the strong record of enforcement under the current administration, as underscored by two recent enforcement actions.

First, Panasonic agreed to pay \$280 million to resolve FCPA offenses for payments to consultants of its U.S. inflight entertainment unit in the Middle East and Asia, including the payment of \$143 million in disgorgement to the Securities and Exchange Commission. In both cases, the resolutions were related to activities of Panasonic's U.S.-based subsidiary, Panasonic Avionics Corporation. According to the U.S. government, senior management of Panasonic Avionics established a bribery scheme to pay a Middle Eastern government official more than \$900,000 for a "purported consulting position, which required little to no work," allowing Panasonic Avionics to help gain over

\$700 million in business from a state-owned airline. The U.S. government further stated that Panasonic Avionics concealed the payment "through a third-party vendor that provided unrelated services" to Panasonic Avionics and then allegedly falsely recorded these (and other) payments in its books and records. Other payments related to Asian sales.

The Department of Justice (DOJ) gave Panasonic Avionics a 20 percent discount off the low end of the U.S. Sentencing Guidelines fine range because of the cooperation of the company and what the DOJ characterized as strong remediation efforts, including the severing of several senior executives who were either involved in or aware of the misconduct by Panasonic Avionics or Panasonic. Nonetheless, because the remediation efforts only recently had been instated, the deferred prosecution agreement provides for a two-year independent monitor, followed by an additional year of self-reporting. Independently, the Department of Commerce's Bureau of Industry and Security (BIS) took the unusual step of suspending an export control settlement deal with Chinese telecom equipment maker ZTE Corporation, while at the same time revoking the export privileges of the company. ZTE Corporation was operating under a settlement of claims that it had violated U.S. export control and economic sanctions regulations by engaging in 251 transactions with persons in Iran or with the Iranian government. These transactions had last year resulted in the largest-ever export controls penalty - nearly \$1.2 billion, with \$300 million of it being suspended during a seven-year probationary period. As a result of the export ban, the ability of ZTE to export any goods or technical data from its 14 offices and six research centers in the United States will be virtually eliminated until March 13, 2025, thereby endangering the ability of ZTE to take a leading role in the rollout of next-generation 5G wireless technology. These settlement actions illustrate the ability of U.S. regulators to discover and punish violations of U.S. international regulations, as well as the willingness of the Trump administration to impose groundbreaking penalties. In light of the aggressive enforcement mentality of the U.S. government, this Client Alert presents a series of steps that companies subject to U.S. jurisdiction can take to help identify and manage their international regulatory risk. Careful consideration of each step will take the company from identifying the risks, through examining any deficiencies in dealing with those risks, to the goal of compliance as informed by appropriate procedures, internal controls, and training. For any company that has not gone through such an exercise in the last few years, systematically working through the 12 steps is likely to lead to a significant payoff for ameliorating the organization's risk profile through an effective compliance system.

A Twelve-Step Program for International Compliance

As illustrated by the record export controls penalty against ZTE (almost \$1.2 billion, followed by a denial of export privileges) and the Panasonic FCPA settlements, the risk of severe enforcement actions under the Trump administration for violations of international regulations continues to be high. Yet many multinational companies find themselves in a quandary regarding how best to implement their international regulatory risk management. They may well know they face heightened risk but are not clear regarding the best way to proceed. This section of the Client Alert summarizes the typical steps that most multinational companies should consider when evaluating their international regulatory risk management procedures and internal controls.

Through careful implementation of these measures, most multinational organizations should be able to implement the kinds of compliance that U.S. regulators would consider to be industry best practices.

Step 1: Secure Buy-In at the Top

Many companies looking to implement an international regulatory compliance program start by drafting a written compliance policy. But long before it comes time to

draft the policy, a well-thought-out compliance strategy will look to put in place the underpinnings of the compliance program. Chief among these is the need for consistent management support for compliance initiatives.

Although the phrase "tone at the top" encapsulates management support, the concept requires more than just support from the CEO and other top management officials.

When properly executed, the idea of tone at the top is a pyramid, with the concept of "doing the right thing" and respect for compliance flowing down from the CEO to personnel at all levels. Senior management ensures it is known that compliance has full support at the top, and that compliance has the resources to function properly, while also trying to ensure that respect for compliance with legal and company mandates flows through the company.

Management support is especially important for companies with international operations. The connection between the sales and operational activities of international subsidiaries, on the one hand, and regulatory risk management and adhering to the requirements of U.S. law, on the other, can appear tenuous when viewed by far-flung actors. The reality, however, is these far-off operations often represent the highest regulatory risk. This may mean that the organization must pay special attention to these foreign subsidiaries so it can reinforce the compliance message and its importance to the overall organization.

In establishing the tone at the top, senior management must understand the importance of a consistent and reinforced message. Too often, the role of senior management seems confined to issuing "the compliance letter" (i.e., a letter from the CEO stating that compliance is important). Thereafter, the topic is put on the back burner and left to the legal or compliance department to implement, often with inadequate resources to back up the compliance mission.

While there is nothing wrong with issuing such a letter, the compliance message should be reinforced so it becomes part of the internal DNA of the corporation.

The importance of compliance to the company cannot be communicated by a one-time effort; rather, it should be a part of the day-to-day management of the organization. With that goal in mind, senior management should take advantage of "non-training" training opportunities, such as integrating mentions of compliance missteps or accomplishments into quarterly calls, including compliance topics in sales meetings, and mentioning the topic frequently in company newsletters. Further, when teachable moments occur, such as compliance missteps by competitors, it is a good idea to bring this to the attention of relevant personnel, such as through a mass email from a senior manager or the general counsel's office.

Senior management must set a strong example. It should be common knowledge that compliance rules apply across the entire organization, including for senior personnel; that the company promptly follows up on credible red flags; and that the company is willing to walk away from business that requires stepping too close to the risk threshold. People throughout the organization, whether in the United States or elsewhere, should realize there are consequences for compliance missteps. Through these means, senior management can communicate its respect for compliance throughout the organization.

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14. O. Coulon, G. Kreijen & B. Gevers: "While EU Countries Reaffirm their Commitment to the JCPOA, EU Companies Brace for Impact"

(Source: World Trade Controls

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xjl6kn1Gqf2v8rh1Y5O\\_\\_qXsl37UIRF66\\_8IAkY43vIA6FI9zRFXJJxaoethmj3HaFQIqycvgDaz4xJy6vz4Mf1H7RphlXVSm8wgO-](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjl6kn1Gqf2v8rh1Y5O__qXsl37UIRF66_8IAkY43vIA6FI9zRFXJJxaoethmj3HaFQIqycvgDaz4xJy6vz4Mf1H7RphlXVSm8wgO-)

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IK0jv04MgwMHnpySfd9au3OI1xnmtaE3Hf8SO\_tiXFrDxp4QjRQwNZSRyIe\_eTgnoU\_efVhO86hL608GqNPKHscmgqmlIMVt  
oLm3XwqqeNko7DcrykVh5RfcRqqF4k5pP\_Ut4JV6HoxUyWwfZ1W4ByMwb358W5vWdb2-  
CNZRA598g2O\_w\_EHihogbXifIZx3iGcA2x4IAiGBzHU378Gi\_5kco\_VqyhJUgvdGGMVnz1PWHR&c=aIJPopSSJkS66qtL8VCmtSs  
mchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==],  
15 May 2018.)

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All of Loyens & Loeff, Brussels, Amsterdam, and Brussels, respectively.

Although expected, President Trump's decision to pull the US out of the JCPOA has triggered swift and concerned reactions from Europe. Despite the EU's reaffirmed commitment to the JCPOA, it is yet unclear whether - and how - the Agreement will survive.

In a joint statement released on 8 May, France, the UK, and Germany expressed regret and concern about President Trump's decision, and urged "all sides to remain committed to [the JCPOA] full implementation." They called on the US "to ensure that the structures of the Joint Comprehensive Plan of Action (JCPOA) can remain intact, and to avoid taking action which obstructs its full implementation by all other parties to the deal."

Impact in the EU

Since the lifting of the US secondary sanctions following Implementation Day, EU companies have invested significantly in Iran. Close to ?11 billion of goods were exported to Iran in 2017 - a 66% increase compared to 2015 -, and many contracts and deals were signed, notably by French and German entities.

The transport sector made a giant leap between 2015 and 2017. Iran became Renault's 8th market with more than 160 000 cars sold in 2017, while PSA's sales in Iran grew to 443 000 units. IranAir has also placed an order for ?17.5 billion with Airbus, while Siemens was due to deliver locomotives.

The re-imposition of the sanctions is expected - and indeed seems designed - to have a deterring impact on European companies, as maintaining business relationships with Iran - especially with SDN (re-)listed persons and entities - may well lead to being targeted by secondary sanctions.

Re-Imposition of the Secondary Sanctions

Secondary sanctions are designed to deter non-US companies from doing business with sanctioned persons, by isolating them from the US financial system and making them unpalatable as business partners for US companies.

The secondary sanctions, for which waivers were lifted on 8 May, will be progressively re-instated, as President Trump's decision provides for two wind-down periods:

- A 90-day period, ending on 6 August 2018, encompassing sanctions which are not covered by the 180-day period. These notably include transactions in the automotive sector, precious metals and raw materials.

- A 180-day period, ending on 4 November 2018, relating inter alia to sanctions in the financial and insurance industries, but particularly in the energy and shipping sectors.

It should however be noted that some secondary sanctions remained in place since JCPOA's Implementation in 2016. These sanctions prohibit for example EU companies to engage in significant transactions on behalf of, or for the benefit of any SDN or any company 50% by such person. They also prohibit transacting with the Iran Revolutionary Guard Corps (IRGC) or any of its officials, agents or affiliates.

The past few years have taught us that this prohibition can be challenging as the IRGC is sometimes heavily involved in certain industry sectors.



### What Can the EU Do About This?

The EU countries' commitment to keeping the JCPOA alive is likely not to be enough, considering the significant chilling effect of the US secondary sanctions. Measures will have to be taken to give the EU companies a certain level of comfort and certainty in their relationship with Iran - if possible.

Amongst the available measures, the European Union could adopt a blocking statute, as it has already done in the past through the adoption of Council Regulation (EC) n°2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom, to address both the Helms-Burton and d'Amato-Kennedy provisions. It may be questionable, however, whether adopting new blocking regulations would be an effective tool, as EU companies will still be fully exposed to the enforcement of secondary sanctions in the US.

France and Italy have also reportedly been working on providing all-euro denominated transaction systems, allowing one to by-pass the US financial system.

The EU may likewise try to negotiate with the US specific exemptions covering targeted sectors (such as the energy or automotive industry), allowing EU companies to maintain business relationships with Iran.

Yet, these instruments take time to design and implement. Considering the 90-day deadline, one can question whether any sort of solution will be reached before 6 August. This circumstance is only likely to reinforce the deterring effect of the revamped US sanctions.

One option for the EU to preserve its interests may be to rely on the US desire to reach a stricter and more global deal, covering not only the nuclear aspects, but also other topics such as the development of ballistic missiles. The negotiation of such a new agreement, which would necessarily require the EU as a signing party and which, reportedly was within reach before President Trump decided to walk out, may now well constitute the EU's best bargaining tool for avoiding the imposition of secondary sanctions or obtaining an exemption those sanctions.

It remains to be seen, however, whether it would be realistic for the EU to pursue such an option. Various US sources have made it quite clear that the re-institution of US sanctions is also aimed at 'encouraging' non-US companies to stay out of Iran and to get out if they are already there. It is difficult to see how the US could reconcile this with providing EU companies leeway to do business with Iran. The question for the US, it seems, is whether the economic isolation of Iran outweighs hammering out a more encompassing and stricter sanctions regime.

Meanwhile 'non-US' companies in active in Iran trade should start their assessment whether their activities will become subject to the newly reinstated secondary sanctions. If this is the case, they should carefully evaluate their risks and liabilities and where necessary start with the wind down process.

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15. Gary Stanley's EC Tip of the Day

(Source: Defense and Export-Import Update, 14 May 2018. Available by subscription from gstanley@glstrade.com [mailto:gstanley@glstrade.com].)

* Author: Gary Stanley, Esq., Global Legal Services, PC, (202) 352-3059, gstanley@glstrade.com [mailto:gstanley@glstrade.com].

ITAR § 124.1(A) provides that its requirements apply whether or not technical data is to be disclosed or used in the performance of the defense services described in ITAR § 120.9(a) (e.g., all the information relied upon by the U.S. person in

performing the defense service is in the public domain or is otherwise exempt from
ITAR licensing requirements pursuant to ITAR §125.4.

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EX/IM TRAINING EVENTS & CONFERENCES

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16. ECS Presents "ITAR/EAR Boot Camp (Seminar Level I)" on 10-11 Jul in Long Beach,  
CA

(Source: S. Palmer, [spalmer@exportcompliancesolutions.com](mailto:spalmer@exportcompliancesolutions.com) [mailto:[spalmer@exportcompliancesolutions.com](mailto:spalmer@exportcompliancesolutions.com)].)

\* What: ITAR/EAR Boot Camp (Seminar Level I), Long Beach, CA

\* When: July 10-11, 2018

\* Where: Hilton Long Beach

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xuM60DOf3-1AAAjhDpC6dQCswymhZZBXFFGoxsvR5YabrSzBFeFle7tOZAoWGrelOKRZW7jXb55KLKOfcA2Rgtidkq3qGnGD2rAZWDX0KpavYNxQwRA5btoyMsBNyWdhrpzimdqwcHEa8ynjT\\_aTTSNIPVGCMT4shs4VysopWNbiwsy-FJRs0EdZUNWrbKMjDMTE51qxTT0AwhYFTdn\\_alC4Kg7kR8qoRo0K8U34A8I0&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=Upl9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xuM60DOf3-1AAAjhDpC6dQCswymhZZBXFFGoxsvR5YabrSzBFeFle7tOZAoWGrelOKRZW7jXb55KLKOfcA2Rgtidkq3qGnGD2rAZWDX0KpavYNxQwRA5btoyMsBNyWdhrpzimdqwcHEa8ynjT_aTTSNIPVGCMT4shs4VysopWNbiwsy-FJRs0EdZUNWrbKMjDMTE51qxTT0AwhYFTdn_alC4Kg7kR8qoRo0K8U34A8I0&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=Upl9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)]

\* Sponsor: Export Compliance Solutions (ECS)

\* ECS Speaker Panel: Suzanne Palmer, Mal Zerden

\* Register:Here

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xgrmfprZX\\_qpDKTysJF6qZ26A\\_Bfzv7c7d01fKCA4AppcjXBN0QPu09jv2xv6AkOj4afxM9NVwUuL6jjSkkEbEFPwk6H1S3uhJvtDpAx2pRrzhD98yaWnMv5fZPD3iqwtBJB9KXY-v44e0dEVp1-ir-ddTVaxABT\\_b3jm\\_GTooU-PADuuDSMP-S-qqCZzlFRacmi5Vv3Nv8cwLHvvs9iL5w=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=Upl9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xgrmfprZX_qpDKTysJF6qZ26A_Bfzv7c7d01fKCA4AppcjXBN0QPu09jv2xv6AkOj4afxM9NVwUuL6jjSkkEbEFPwk6H1S3uhJvtDpAx2pRrzhD98yaWnMv5fZPD3iqwtBJB9KXY-v44e0dEVp1-ir-ddTVaxABT_b3jm_GTooU-PADuuDSMP-S-qqCZzlFRacmi5Vv3Nv8cwLHvvs9iL5w=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=Upl9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)]

or by calling 866-238-4018 or e-mail

[spalmer@exportcompliancesolutions.com](mailto:spalmer@exportcompliancesolutions.com) [mailto:[spalmer@exportcompliancesolutions.com](mailto:spalmer@exportcompliancesolutions.com)].

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## EDITOR'S NOTES

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17. Bartlett's Unfamiliar Quotations

(Source: Editor)

* Clifton Paul "Kip" Fadiman (15 May 1904 - 20 Jun 1999; was an American intellectual, author, editor, radio and television personality. He began his work with the radio, and switched to television later in his career.)

- "For most men life is a search for the proper manila envelope in which to get themselves filed."

* L. Frank Baum (Lyman Frank Baum; 15 May 15, 1856 - 6 May 1919; was an American author chiefly famous for his children's books, particularly The Wonderful Wizard of Oz and its sequels. He wrote a total of 14 novels in the Oz series, plus 41 other novels, 83 short stories, over 200 poems, and at least 42 scripts.

- "I can't give you a brain, but I can give you a diploma."

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18. Are Your Copies of Regulations Up to Date?

(Source: Editor)

The official versions of the following regulations are published annually in the U.S. Code of Federal Regulations (C.F.R.), but are updated as amended in the Federal Register. The latest amendments to applicable regulations are listed below.

* ATF ARMS IMPORT REGULATIONS

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xvjilSng0XYwP23-WXY_F8NDTj6CknqM4VHF1B06cen3Qcj6ai18fqSCSaubv8mBLT1mObXDQUDD-gCMTIMPoUxIDf6XBb2XRridH3A0Bdhev2Licks3g-SQom5WscQB6AozQHibYl4rNunlgMMuLfJEL_mCHO3ZbaLvWgmXFNUzdKWcjiG5k73IIM9Al2A2QJ65y8OuiZ62RzasVf9AO3LKOOf4kCeOoaqPjxegJyACJRm9GBtdzBjSJl90tt9VOZuED4LQhTP05kPVOuLALRnxQBgsFeLwg==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

27 CFR Part 447-Importation of Arms, Ammunition, and Implements of War

- Last Amendment: 15 Jan 2016: 81 FR 2657-2723

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xtp_Ua2MiWmMKR7q3ycLYUb8HGdU64w98JecWBUmaUvB5bi4CB0GvrBbR4zWuYA3Znr7rrQAXbIGMCmuG2KWlQpG51ZR3xNtGPra0JP-T8agWhh0gE5CQhTeiGptVjWZAGT99n_KlpmloO2JrCZeKO-pTotnV9yLp7OJAXWCotduxd64LfHxA=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

Machineguns, Destructive Devices and Certain Other Firearms; Background Checks for Responsible Persons of a Trust or Legal Entity With Respect To Making or Transferring a Firearm.

* CUSTOMS REGULATIONS

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xvjilSng0XYwlkzi6Bx9ukCLQOgRW9Yi2pRcMI8VJx8rABBAer0cbf4ILOOTsa929AQvNEYE-duou9ARTlaK39GO9mpCCq-fgSpLBOAd4yHLfiilQscl1fwWC7OjEff-e6rEqQDQBgdPErV7Sr_O1x4tA5MuEcHPCbRDjd081tSy8MGKAZcYCVUHR5zyL9zf5B4dto8Bvz3g0xiY5H7C4r-LBpVskiK2O8NeowF4PyFx5VcUGmJ08qNG6PsNlaV_pzltu36wC3OM&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

19 CFR, Ch. 1, Pts. 0-199

- Last Amendment: 12 Apr 2018: 83 FR 15736-15740

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xjb2MK_By8w7OVROFoRTi5bn31xDffZhhqLwMJVZfS_eS7QJMAF-tiy0vWZBijKaeEkgxKpca4abmOpnbSYfdZbX8IAPgTyoE4QmbtRnXuE6wPABVmxjGGDZPxp-ZmTm9k4y-peZB52G8uM-RR9PIju8-YeeWhYKSRcuJMG6E4-c5KI4jueA08=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

CBP Decision No. 18-04; Definition of Importer Security Filing Importer (ISF Importer)

* DOD NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL (NISPOM)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xiDr976--3lVzapiee5FpouG_5Bjd7nYARIRXXIPBAImIXYiaFwJAcZOLZPgwaL4AXj806WNLkH7xABzqxhmLIHfym4tP1AMMyxHF_fQmiellJja2uZw0vcJ2zdFgnpe6aLglFrLncZGPJjoa1EQAJdRj9oE5vRjQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

DoD 5220.22-M

- Last Amendment: 18 May 2016: Change 2

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xiDr976--3lVzapiee5FpouG_5Bjd7nYARIRXXIPBAImIXYiaFwJAcZOLZPgwaL4AXj806WNLkH7xABzqxhmLIHfym4tP1AMMyxHF_fQmiellJja2uZw0vcJ2zdFgnpe6aLglFrLncZGPJjoa1EQAJdRj9oE5vRjQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfltkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

ellJja2uZw0vcJ2zdFgnpe6aLglFrLncZGPJjoa1EQAJdRj9oE5vRjQ==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

Implement an insider threat program; reporting requirements for Cleared Defense

Contractors; alignment with Federal standards for classified information systems;

incorporated and cancelled Supp. 1 to the NISPOM (Summary here

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xmpFTeg6JcRrl7dBLUHuvZnu7IO0xRc-MpdT048wtsAexYMPc34-

3be4d_Rgmaga_v9Vx1_oQ55MeMk4yVcwL2tlulJRrHLTUEKf7k_bLRNSIKc52PHnFMrr-H-

QwfZVM0IT3ZhrChkW6MguOazD0LoMKiw-5UqhZ5nd-

ncDELYU&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==].)

* EXPORT ADMINISTRATION REGULATIONS (EAR)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xmpFTeg6JcRrcJufF83EQtkkopmf7N8Z-9NMORqzzRujqZwNsDGLI5fkFDHzSeWbS_RnO1hP5YN2LZuiwXXXXBmzFKmXFF0_nkA1jKaZr8ewDm-QXMCLJMO0Kba_2PPUHWXoTfXm70FL4vtKnITkogM79ViCpjHfGZ2cOjeFhIQKC3gB6gueBWBBSF1LJUwjijsoc3dah_OizwdTvVyuPiMhKphPYxlzvWjOhLxdue_5LZEKUnBk8Fn86FgvGf6RA2QByxjeEAEf57zcPqx-

M=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

15 CFR Subtit. B, Ch. VII, Pts. 730-774

- Last Amendment: 5 Apr 2018: 83 FR 14580-14583

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xm4P3M_kY8bK5jIASFHOj7dy--Bk2HDxiTLqLBzjcS1k8dhD8SiP2438IEeXj0VE7rClxw-

p41EXqnuTWLSJohUby2kXYvn5h3eyJhiJufF7jksrvK1ykrGDCZmVRDMnu7ZWmsUbFsgd2MQEhFeoQsqBeDIEu_u1HvfluVLIDTdnoviHp3_SE=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

Reclassification of Targets for the Production of Tritium and Related Development

and Production Technology Initially Classified Under the 0Y521 Series [Imposes License

Requirements on Transfers of Specified Target Assemblies and Components for the

Production of Tritium, and Related "Development" and "Production" Technology.]

* FOREIGN ASSETS CONTROL REGULATIONS (OFAC FACR)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xvjilSng0XYweZcyANs6Ar1EaJc4Ja6WJ1ZqWtNxMHKPDGuLRzt5cciwkYriA024qFZe0fJ5YmV_ZzsdZLwEGGCw2UkCt4As8pRA0I7r5bgUEW7oUhM0aCxJitt_aJPNZiik9Yq6liynmFqm1fGh9L48r5Y6-tqa0qH1jwLKLhEo3sz7WouPgQ-Z4PTxCe3bh2bUttSjluX8dtwIVNKQ8LTIOi4G-SxE3V-uvOdOOM7y7RDnwH05KGNCf8ygXc-

EbU27YupCQBQ&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

31 CFR, Parts 500-599, Embargoes, Sanctions, Executive Orders

- Last Amendment: 19 Mar 2018: 83 FR 11876-11881

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xgNf_2Ta86cwEzLsWuqdQGHIpXey4Yi0Ize2ctrFKz9ZMlceCLTWP8_XacL3wsTwf_xOIF318q7pEfDHemsnLkEJHmVj14IJmxEHpKqv08HTnbi565CDmaSQKH1ECrL0jerww7VEtP8TLOciiCSQQia65frErVjRHB8O55YbU1ve5dzCpq-

Jghk=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

Inflation Adjustment of Civil Monetary Penalties

* FOREIGN TRADE REGULATIONS (FTR)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xvjilSng0XYwDSPWMwluhLGX-GXOLg2-agom9V1IKLmsgicW-sjc-SwIPfpYI-Th1JG9gtkbREv19GmYeS37QzHviW2gMpZ5RZqFS79ZFW9w-h2r64kVICNQMNF9VuRnOVWfazoLoSpYiEl6V4bHFdr0cMnf-CiMmJ6R-wFo3jscbHTsuV7XbcDFri-

LnOYDdtfzW9a7ocJftKLdmzC979_RbW4gq6QYbJs2n6ECKL1m5GLY9WRwjGb0xPyd38nJZB2Q_shJrhowKz6R3Ahas94=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

15 CFR Part 30

- Last Amendment: 24 Apr 2018: 3 FR 17749-17751

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xuM60DOf3-1AqRycsP4IS8SOcrFB10MXmJty316T1yalZnfvpJ4C5GRtf-YH9Td_Db8iafQs1DDEZfbyFHooq0ZWPyPWZzO2d_NAq9mibxlcqGXkadyhRysouVa23GJV6hbyRwyvOTgP7TfpLptckjaKZa8n03eH1oVPxxEM_ZZIBWfERXhRqtW=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==]:

Foreign Trade Regulations (FTR): Clarification on the Collection and Confidentiality of Kimberley Process Certificates

- HTS codes that are not valid for AES are available here

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xiE3PpiEUaaVA7PdxIPUvO066rKtbedC94_fH7mossiu3IRJRx1dMIsJE50jkTU_MWVble-xTTKNiG61UhbFKHqEEV7yyFH2unzmVaBMq7Ko2a2W-R3cTccjX9459GDkZFDcAw3YMwHbllDRICBLrwMrRD0xFFGce3IOelEKigIToTPSbHWISDaY2ei66c2RV2ryvjGyvsU&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==].

- The latest edition (30 Apr 2018) of Bartlett's Annotated FTR ("BAFTR"), by James E. Bartlett III, is available for downloading in Word format. The BAFTR contains all FTR amendments, FTR Letters and Notices, a large Index, and approximately 250 footnotes containing case annotations, practice tips, Census/AES guidance, and explanations of the numerous errors contained in the official text. Subscribers receive revised copies in Microsoft Word every time the FTR is amended. The BAFTR is available by annual subscription from the Full Circle Compliance website

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xlVDfnX6mf_LG3SkWX-5i3ktCw16nrwvDQbz-3fkH3NQMT3ydhBpM-uq2pVL_JGbN-Y79zkWo-5ND8yw3wwwjk2NnqTr1vwaQfHqjVnHksuVQv1Yh7Pp4skJB4O2vWO3k1CRBmZHDuk&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==].

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[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xqAlhNf9p0PdZtyOdTczM6FhqQq7e151NJY7clqBrbvavawMoFyJKi1jthvrsfCN86E2GJnM7JbVlz5MA9Ge4eqC-PPTx_sg5wKdsP8x97gdAolwC4ho0RX61QqL-bR4w==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==].

* HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTS, HTSA or HTSUSA)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xgj1XcugzyHn-N9LIlnp4ebjbOmBJ0IHV072NMh3mlLhoHNhMDFokDgUeEJ3p_EJfaF3NceJhdFexKYX6Nlpfa_Se-HBS7b7Uwye0DW-95Qd3IXAYiBW8PY-Z3zF1a3w==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==],

1 Jan 2018: 19 USC 1202 Annex. ("HTS" and "HTSA" are often seen as abbreviations for the Harmonized Tariff Schedule of the United States Annotated, shortened versions of "HTSUSA".)

- Last Amendment: 4 May 2018: Harmonized System Update 1807

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xrdvgCzimY4Cak3MdDccu5f1Cfz1UDlhmMRy68K3V6EXu5yhgxNM3U_NsvbAI37hZujXApYxxJpYsOsU5mvl4hpBWkvuyufPwNxpM4VvTZJiJESVwIAFZTZT9VIYnpqyjkAPu_s9t5n_aqfquCFXoy6SrK40FKCrIYXl1VmAgdQFya4TUo-p_ktFs18MDuHMeG6ngXIIWVSS59Ipi6dyzrvDC9Ido93q-IEW8Qq7o-qih_Ex29myQmHnls8hIAi1K5_grWWykjeGZ&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==],

containing 289 ABI records and 60 harmonized tariff records.

- HTS codes for AES are available here

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xleWWYb8qkIX-

dly3kUa6beg6md5AtU6Oejg4gldlyQ-UhoiY2KPH7qwCz_ssfCnyNSPSfalTpYvxSIPu-
hWLNbZt037xZFX3TEzGrFvmapXY78OIQ3vw8YzxykX07XWQzf12XZDRcd-9yU7VBjpuyVD-Jmk1qZ_XSDA_aey-
dYD4a69WqGDYurRjJKhae2qRefQHXAJO-
o&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-
kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==].
- HTS codes that are not valid for AES are available here
[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xiE3PpiEUaaVA7PdxIPUvO
O66rkKTbedC94_fH7mossiu3IRJRxdMIsJE50jkTU_MWVble-xTTKNiG61UhbfbKHqEEV7yyFH2unzmVaBMq7Ko2a2W-
R3cTccjX9459GDKZFDcAw3YMwHbldRICBLrwMrRD0xFFGce3IOelEKigIToTPSbHWISDaY2ei66c2RV2ryvjGyvsU&c=aIJPopS
SJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-
kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==].

* INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xvjilSng0XYw-
dj7Io5BxcRIF24Oz7K6NbyxIjLyBwozzvYRUJWNnVFj8--
oEfntXNNAFvGuJVJm6oTI_abtIGHXro4KK7uxzBqQAhsBAv7A8Swtp3ibputZnWl6539awmp8p4snS19vJLoY6lKO9zqXI3oQ7
bZT-rJteSrIpxsXsSIG3ltw1tqJN6L7_7qEgQ9vh41gkNHgrH9mPeL32THoWnLlFuYmBwY--
Ull2mukulnV9OIXHt7vw9gXwAffTZO__KYRPu&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&
ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

22 C.F.R. Ch. I, Subch. M, Pts. 120-130.

- Last Amendment: 14 Feb 2018: 83 FR 6457-6458

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xkY0-
vUYmXE4Sh1iYgLSXj9yTyHu-
Gox0bliSg1Twx2eiAUDfJQ_vjNdFOLAA1OkTnsqGPeVuxcfggswFS4f7dmHShl3wg4lbZLjynL84WPDwSdoee0-
n2dlre48590fUBHYv5PAfIYuYmiiNX7LdNOwGryxU1CbK-
NaC0LDL46CAcxTb9ovma4=&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-
-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==]:

Amendment to the International Traffic in Arms Regulations: Addition of South Sudan

[Amends ITAR Part 126.]

- The only available fully updated copy (latest edition: 25 Apr 2018) of the ITAR
with all amendments is contained in Bartlett's Annotated ITAR
("BITAR"), by James E. Bartlett III. The BITAR contains all ITAR amendments to date,
plus a large Index, over 800 footnotes containing amendment histories, case annotations,
practice tips, DDTC guidance, and explanations of errors in the official ITAR text.
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[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xssffz-
NuAS3SIVpih4wIM6P1tDNpztvQAhfrLH3_uZlFkFJctxSHPvJNGEZQjXgr5U1dtJT1xEqohTUUnnmndxcIkB_y5AhOCyel9feoT
TE1GuXATTDZc3EqyUZ7OYw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_r-
r8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==].

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## 19. Weekly Highlights of the Daily Bugle Top Stories

(Source: Editor)

Review last week's top Ex/Im stories in "Weekly Highlights of the Daily Bugle Top  
Stories" published here

[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\_xqAlhNf9p0PdZtyOdTczM

6FhqQq7e151NJY7clqBrbvavawMoFyJKi1jthvrsfCN86E2GJnM7JbVlz5MA9Ge4eqC-  
PPTx\_sg5wKdsP8x97gdAolwC4ho0RX61QqL-  
bR4w==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\_rtr8m-  
kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==].

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[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xqAlhNf9p0PdZtyOdTczM6FhqQq7e151NJY7clqBrbvavawMoFyJKi1jthvrsfCN86E2GJnM7JbVlz5MA9Ge4eqC-PPTx\\_sg5wKdsP8x97gdAolwC4ho0RX61QqL-bR4w==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xqAlhNf9p0PdZtyOdTczM6FhqQq7e151NJY7clqBrbvavawMoFyJKi1jthvrsfCN86E2GJnM7JbVlz5MA9Ge4eqC-PPTx_sg5wKdsP8x97gdAolwC4ho0RX61QqL-bR4w==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

\* BACK ISSUES: An archive of Daily Bugle publications from 2005 to present is available HERE

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xt3RPJHhQXYqpsx6wFxi5\\_hKWPQV5EApyw27ZgoyOfhe7oW\\_tKXlcXxYd9k5JNv5mmz-9H1H\\_\\_Eqg-WFcLPBBvqvDxvHVXj3LLQdcql-iwbVebazTMXsvNHHvnRBWZvvl7g7XYkBZrzdXZtV7moPgn5eYFp0f-8KxGm0WRsROOw0lHoM36PMj\\_4PxcWuucWJu9dp3M6b0U9Fn2votyzBC5JssBX5ku-8oKKVHsiQtQgt0v\\_g\\_yJb8yiuQi907vCs\\_yNaklaLkBD5sy3ULDKQZLaPlal\\_BprPE\\_WoOPWtsA&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xt3RPJHhQXYqpsx6wFxi5_hKWPQV5EApyw27ZgoyOfhe7oW_tKXlcXxYd9k5JNv5mmz-9H1H__Eqg-WFcLPBBvqvDxvHVXj3LLQdcql-iwbVebazTMXsvNHHvnRBWZvvl7g7XYkBZrzdXZtV7moPgn5eYFp0f-8KxGm0WRsROOw0lHoM36PMj_4PxcWuucWJu9dp3M6b0U9Fn2votyzBC5JssBX5ku-8oKKVHsiQtQgt0v_g_yJb8yiuQi907vCs_yNaklaLkBD5sy3ULDKQZLaPlal_BprPE_WoOPWtsA&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIa==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpA0iVIJSwGap9aDIm7wUA1mz6A==)].

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The Daily Bugle | [www.FullCircleCompliance.us](http://www.FullCircleCompliance.us)

[[http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb\\_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb\\_xvjilSng0XYwuZ86ig3AtV-vdSb\\_DhBbecOhcFHLk0SzO5WpYQ9uhunjk2RZKFu\\_JS2fBkBwz2adSLqwajDj96gAwLBv-m5FPglLiSr-qBAGksaavJtM5DfHq49r-purw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6\\_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==](http://r20.rs6.net/tn.jsp?f=001fNfzaCbGb_qftFz8IMFMOYJHElaFQY69L2TId5r1fMolhFB08Gb_xvjilSng0XYwuZ86ig3AtV-vdSb_DhBbecOhcFHLk0SzO5WpYQ9uhunjk2RZKFu_JS2fBkBwz2adSLqwajDj96gAwLBv-m5FPglLiSr-qBAGksaavJtM5DfHq49r-purw==&c=aIJPopSSJkS66qtL8VCmtSsmchd1dXpPoypQOc7NhgK3JpwbGXFBIA==&ch=UpL9s6_rtr8m-kdkYq40oWnMfLtkpAOiVIJSwGap9aDIm7wUA1mz6A==)]

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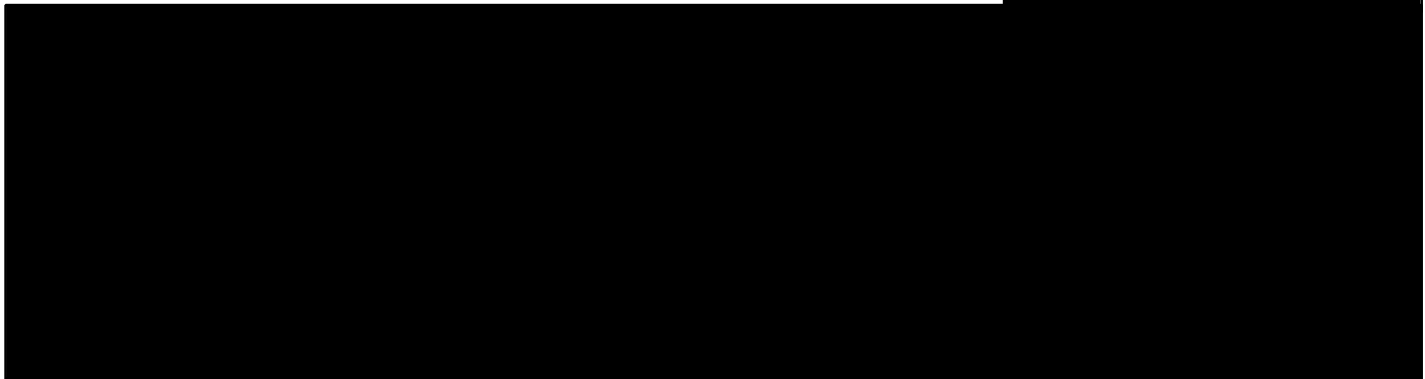
FCC Advisory B.V. | Landgoed Groenhoven | Dorpsstraat 6 | Bruchem | 5314 AE | Netherlands

From: Paul, Joshua M <PaulJM@state.gov>
Sent: Friday, July 20, 2018 6:09 PM
To: Kaidanow, Tina S
Cc: Litzenberger, Earle D (Lee); Miller, Michael F; Heidema, Sarah J; McKeeby, David I; Strike, Andrew P; Carter, Rachel; Steffens, Jessica L
Subject: Fwd: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns
Attachments: 07-20-18 Letter to Secretary Pompeo Regarding 3-D Printed Arms.pdf

Importance: High

Dear AMB Kaidanow,

We wanted to flag for your awareness and attention this incoming letter from REP Engel regarding the Defense Distributed settlement. While coordination continues on a briefing to the Hill, Rep Engel suggests that the settlement may have exceeded the Department's authorizations, and is urging us to suspend its implementation. He has already provided this letter to the media, and we are getting a late Friday burst of inquiries, 



Thanks,

Josh

From: Rice, Edmund <Edmund.Rice@mail.house.gov>
Date: July 20, 2018 at 4:37:58 PM EDT
To: Miller, Michael F <Millermf@state.gov>, Paul, Joshua M <PaulJM@state.gov>, Darrach, Tamara A <DarrachTA@state.gov>
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>, Fite, David <david_fite@foreign.senate.gov>, Oliver, Stacie <stacie_oliver@foreign.senate.gov>
Subject: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

Mike, et.al.:

I wanted you to be aware of the attached letter from Rep. Engel to Secretary Pompeo urging a delay of the implementation of the settlement in Defense Distributed v. U.S. State Department, given the significant security threat that would occur immediately upon release of the software. The letter also is being sent to H. Rep. Engel has directed

that the letter be released to the public. As you are no doubt aware, the terms of the settlement are already being widely reported in the media this afternoon.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Strike, Andrew P <StrikeAP@state.gov>
Sent: Thursday, July 12, 2018 8:49 AM
To: Dudding, Maria; Clay, Noel C; ISN-Press-DL; PM-CPA
Subject: Re: Dallas Morning News request about settlement in Defense Distributed lawsuit

[REDACTED]

Andrew P. Strike
Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State
Phone: 202-736-7804
BlackBerry: 202-701-5137
StrikeAP@state.gov

From: Dudding, Maria
Sent: Thursday, July 12, 2018 8:42 AM
To: Clay, Noel C; ISN-Press-DL; PM-CPA
Subject: RE: Dallas Morning News request about settlement in Defense Distributed lawsuit

Hi Noel,

Good morning!

[REDACTED]

Maria

From: Clay, Noel C
Sent: Wednesday, July 11, 2018 9:54 PM
To: Dudding, Maria <DuddingM@state.gov>; ISN-Press-DL <ISN-Press-DL@state.gov>
Subject: RE: Dallas Morning News request about settlement in Defense Distributed lawsuit

[REDACTED]

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From: Dudding, Maria
Sent: Wednesday, July 11, 2018 9:52 PM
To: Clay, Noel C <ClayNC2@state.gov<<mailto:ClayNC2@state.gov>>>; ISN-Press-DL <ISN-Press-DL@state.gov<<mailto:ISN-Press-DL@state.gov>>>>

Subject: Re: Dallas Morning News request about settlement in Defense Distributed lawsuit

[REDACTED]

Sent from my BlackBerry 10 smartphone.

From: Clay, Noel C

Sent: Wednesday, July 11, 2018 6:50 PM

To: ISN-Press-DL

Subject: FW: Dallas Morning News request about settlement in Defense Distributed lawsuit

ISN:

[REDACTED]

Thanks,
Noel

From: Branham, Dana <dana.branham@dallasnews.com<<mailto:dana.branham@dallasnews.com>>>

Sent: Wednesday, July 11, 2018 6:26 PM

To: PA Press Duty <PAPressDuty@state.gov<<mailto:PAPressDuty@state.gov>>>

Subject: Dallas Morning News request about settlement in Defense Distributed lawsuit

Good evening,

My name is Dana Branham, and I'm a reporter with the Dallas Morning News. I had been referred to the Department of State by the Department of Justice after I'd inquired about the settlement in a lawsuit regarding a Texas organization called Defense Distributed.

I'm hoping to learn why this case was settled, or if the department has any statement on what the implications of the settlement could mean in terms of people being able to share digital files for 3-D printed guns.

My deadline is tomorrow at noon, if that's helpful.

Thank you for your time,

Dana

--

Dana Branham

Breaking news reporter, Dallas Morning News

o: 214-977-8673

c: 979-324-7894

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Friday, February 23, 2018 10:04 AM
To: PM-DTCC-DL
Cc: PM-CPA; Miller, Michael F
Subject: CPA Media Monitoring: New York Magazine: The American Gun Glut Is a Problem for the Entire World

[cid:image001.png@01D29279.128F6050]

The American Gun Glut Is a Problem for the Entire World By Jonah Shepp
23 February 2018

The National Rifle Association likes to call the Colt AR-15 "America's rifle": They and the many imitations manufactured since Colt's patents expired in 1977 are the most popular type of rifle in the U.S., with millions in circulation.

They're also pretty popular with Mexican drug cartels, as the Government Accountability Office noted in a 2016 report. According to data from the Bureau of Alcohol, Tobacco, Firearms and Explosives, 73,684 firearms seized in Mexico and traced from 2009 to 2014 originated in the United States, over half of which were long guns.

These represented 70 percent of the more than 100,000 firearms seized in Mexico and submitted to U.S. authorities for tracing (not the total number of guns seized in Mexico during those years). The original owners of many of these weapons could not be traced.

The report also highlighted that "weapons parts are being transported to Mexico to be later assembled into finished firearms, an activity that is much harder to track." Weapons parts are not subject to the same controls as assembled guns, such as requiring a serial number. Part of what makes the AR-15 so popular is that it's easy to build and customize, so it's a fair assumption that many of these trafficked parts are being assembled into AR-15-style rifles.

The point here is not that the AR-15 is a uniquely evil gun (it isn't), but that while President Donald Trump demagogues about Mexican immigrants bringing drugs and crime across the border into the U.S., tens of thousands of American guns are making that journey in the opposite direction, often illegally and often destined for the people operating and profiting from the Mexican drug trade.

Mexico's gun laws are extremely restrictive, but the proximity of the U.S. and the lack of regulation here make them relatively easy to smuggle into the country. As arms trafficking experts Sarah Kinosian and Eugenio Weigend wrote in a Los Angeles Times op-ed last year, Mexican criminals tend to get their hands on U.S. weapons the same way American criminals do: through straw purchases, in which one person buys a gun legally and sells it or hands it off illegally.

Gun trafficking, they add, is "a high-profit, low-risk activity," as trafficking within the U.S. is not illegal under federal law and straw purchasers rarely face harsh penalties when caught. In this manner, the U.S. is arming both sides of the drug war in Mexico, between the hundreds of millions of dollars worth of weapons, ammunition, vehicles, and other equipment our arms manufacturers ship to the Mexican military and police; and the lucrative business of illegal trafficking, from which one study calculated that half of all U.S. gun dealers earned \$127 million in 2012. Without the Mexican market, many of these dealers would go out of business.

Mexico is by no means the only destination for black-market American firearms. An investigation last year by RAND Europe and the University of Manchester found that nearly 60 percent of firearms listed for sale on the dark web were of U.S. origin, though Europe was the largest market for the unregulated online trade in firearms, generating revenues

about five times higher than the U.S. Nor is illicit trafficking the only way American guns get into the hands of people in other countries who probably shouldn't have them.

In places like Syria, Iraq, and Afghanistan, they start out as military assistance given or sold to allied governments and non-state actors. They then make their way into the black market and often, the hands of our enemies. CNN recently found numerous U.S. military-issue small arms, including M16 and M4 assault rifles as well as "grenade launchers, heavy machine guns, thermal sniper scopes and body armor," being sold via jihadist channels on the encrypted messaging app Telegram in a part of Syria controlled by Al Qaeda-affiliated militants. U.S. weaponry (both light and heavy) also still occasionally falls into the hands of ISIS, often diverted from legitimate buyers in the Middle East and Eastern Europe.

In Iraq and Afghanistan, where the U.S. has been at war since before some of the victims of the Parkland school shooting were born, the Pentagon has over the years supplied various security partners with more than 1.45 million guns, including nearly 1 million assault rifles, an investigation found in 2016 (with the author noting that it could be a vast underestimate).

Of those weapons, the Defense Department had records of only 700,000, or 48 percent, meaning, at the very least hundreds of thousands of weapons sent to these war zones by our government have gone missing. Not all of these weapons were American-made - some were cheaper, older Russian machine guns and Kalashnikov assault rifles - but many M16s, M4s, and other American guns far deadlier than the AR-15 have been dumped into some of the most violent and unstable countries on Earth.

American guns also travel abroad via the legitimate small arms trade. A 2016 study by the Small Arms Survey, an independent research project, found that small arms imports in the Middle East nearly doubled from \$342 million to \$630 million between 2012 and 2013. The study also observed that some of these guns were being passed on from licit importers in the region to the war zones of Syria, Iraq, Libya, and Yemen. Again, not all of these guns were American, but many of them undoubtedly were, considering that the U.S. was the top small arms exporter in 2013, making \$1.1 billion in sales. (The U.S. was also the top importer, to the tune of \$2.5 billion.)

Those sales might be set to increase even further, if a plan drawn up by the Trump administration last September is put into action. That plan, officials told Reuters at the time, would move oversight of foreign non-military firearms sales from the State Department to the Commerce Department, supposedly cutting red tape and potentially boosting U.S. gun makers' annual international sales by 15-20 percent. (Manufacturers have been counting on more access to the global market to make up for their lost revenue, now that American gun enthusiasts are no longer afraid of the president taking their toys away.)

Critics of the proposal say it will raise the risk of these guns being diverted to unauthorized users and into conflict zones, while making it harder to prevent and prosecute illegal arms trafficking. Those fears sound eminently reasonable, especially considering that Saudi Arabia is one of the top destination countries for such exports.

Trump has also looked to loosen restrictions on the sale of U.S. arms to foreign governments and to have the Departments of State and Defense act as even more aggressive salespeople for American arms manufacturers. The stated rationale for these policies is to make American trade more competitive, goose the American manufacturing renaissance, and create jobs. That the gun industry and lobby are major supporters of Trump and the Republican Party could also have something to do with it, possibly.

Hold the smug liberal outrage, however, because these aren't strictly Republican policy priorities. The plan to shift oversight of foreign gun sales to the Commerce Department originated in the Obama administration but was tabled after the Sandy Hook massacre in 2012. U.S. arms exports, meanwhile, increased 43 percent during Obama's time in office, according to one estimate, and nearly half of those arms went to the Middle East.

Why do guns rule everything around us? It's the economy, stupid. The firearms industry employs over 140,000 Americans directly and generates \$20 billion in economic activity, according to the National Shooting Sports Foundation,

while the defense industry counted some 1.7 million employees in 2015 and generated \$300 billion or 1.8 percent of the total U.S. GDP. As long as Americans can make that much money and support that many jobs by building instruments of death and shipping them all over the world, there's not much chance of us ever getting out of this odious business.

Link: <http://nymag.com/daily/intelligencer/2018/02/the-american-gun-glut-is-a-problem-for-the-entire-world.html>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

Phone: 202.647.6968

e-mail: MarquisMR@state.gov<<mailto:MarquisMR@state.gov>> | Web: www.state.gov/t/pm
<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Heidema, Sarah J <HeidemaSJ@state.gov>
Sent: Wednesday, July 25, 2018 1:26 PM
To: Paul, Joshua M; Rogers, Shana A; Fabry, Steven F; Darrach, Tamara A; Miller, Michael F; Hart, Robert L
Cc: Freeman, Jeremy B; PM-CPA
Subject: RE: S Contingency Lines
Attachments: Defense Distributed - S contingency QA (5).docx

Sorry, use this version

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From: Heidema, Sarah J
Sent: Wednesday, July 25, 2018 1:25 PM
To: Paul, Joshua M <PaulJM@state.gov>; Rogers, Shana A <RogersSA2@state.gov>; Fabry, Steven F <FabrySF@state.gov>; Darrach, Tamara A <DarrachTA@state.gov>; Miller, Michael F <MillerMF@state.gov>; Hart, Robert L <HartRL@state.gov>
Cc: Freeman, Jeremy B <FreemanJB@state.gov>; PM-CPA <PM-CPA@state.gov>
Subject: RE: S Contingency Lines

My tweaks and added in the below from DOJ in

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 1:17 PM
To: Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: S Contingency Lines

I think that's legally valid but not particularly useful in a public/Congressional context, as the pin can be removed and put in your other pocket. Fine for background, so long as S doesn't say it.

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From: Rogers, Shana A
Sent: Wednesday, July 25, 2018 1:15 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>

Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: S Contingency Lines

DOJ has suggested the following addition in the background section:

The 3-D files at issue are for a firearms design that requires adding metal after printing and thus does not violate the Undetectable Firearms Act of 1988 (UFA).

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 1:12 PM
To: Fabry, Steven F; Rogers, Shana A; Darrach, Tamara A; Miller, Michael F; Hart, Robert L
Cc: Heidema, Sarah J; Freeman, Jeremy B; PM-CPA
Subject: RE: S Contingency Lines

Ok - fair enough. Though presumably by the time he got back to them it would be post-settlement. But alright, ok here, pending DDTC final approval.

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From: Fabry, Steven F
Sent: Wednesday, July 25, 2018 1:11 PM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>
Subject: RE: S Contingency Lines

Taking it back is effectively committing to answer, but DOJ hasn't cleared us to answer the question, which is why we changed it. We can't advise the Secretary to make a commitment that DOJ is, for now at least, not ok with.

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 1:08 PM
To: Rogers, Shana A; Darrach, Tamara A; Miller, Michael F; Hart, Robert L
Cc: Heidema, Sarah J; Freeman, Jeremy B; PM-CPA; Fabry, Steven F
Subject: RE: S Contingency Lines

Thanks -

1. Can DDTC confirm that you're still good with this?

2. The original if pressed response was to take it back. This is the same, in effect, as declining to comment, but without saying as much - my concern is by saying he won't comment on pending litigation that is literally all over the press, S will open himself up to further attacks from the questioner. What's wrong with him saying "I'll take it back?"

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From: Rogers, Shana A
Sent: Wednesday, July 25, 2018 1:05 PM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>
Subject: RE: S Contingency Lines

Thanks for your patience. The attached includes edits from DOJ and has been cleared by the L/FO. I'm working on a final sentence with DOJ re the undetectable firearms act, but may not have it in the next 5 minutes.

Thanks,
Shana

Official - SBU
UNCLASSIFIED

From: Darrach, Tamara A
Sent: Wednesday, July 25, 2018 12:42 PM
To: Rogers, Shana A; Paul, Joshua M; Miller, Michael F; Hart, Robert L
Cc: Heidema, Sarah J; Freeman, Jeremy B; PM-CPA; Fabry, Steven F
Subject: RE: S Contingency Lines

Hi Shana,

Sorry to put the pressure on, but my FO is asking that we have this by NLT 1:10 pm. Really appreciate your efforts.

Thanks!
Tamara

Tamara Darrach | Congressional Advisor | Bureau of Legislative Affairs | U.S. Department of State
2201 C St NW, Rm 7418 | (202) 647-8763 | DarrachTA@state.gov<mailto:DarrachTA@state.gov>

From: Rogers, Shana A
Sent: Wednesday, July 25, 2018 11:50 AM
To: Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>; Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>

Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Fabry, Steven F <FabrySF@state.gov<mailto:FabrySF@state.gov>>
Subject: RE: S Contingency Lines

Josh-because the intended recipient is S, Jeremy and I need to consult with our leadership before clearing. We'll get back to you ASAP.

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From: Darrach, Tamara A
Sent: Wednesday, July 25, 2018 11:48 AM
To: Paul, Joshua M; Miller, Michael F; Hart, Robert L
Cc: Heidema, Sarah J; Freeman, Jeremy B; Rogers, Shana A; PM-CPA
Subject: RE: S Contingency Lines

Thanks, Josh! I told my FO this is coming and they are ready to flag the finalized version for S.

From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 11:47 AM
To: Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

L/PM, please clear on the attached.

Tamara, flagging the bootleg.

Josh

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 11:44 AM
To: Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

Ok - done.

That said, based on whether this story continues to expand in the coming days, it may be necessary to circle back together and revisit the L and DOJ recommendation; from a CPA perspective it might be helpful to put all cards on the

table and let Congress figure out a solution: public commentators have already raised the underlying issue (see today's NPR On Point), and trying to avoid drawing attention to it may ultimately just postpone the inevitable debate.

J

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From: Miller, Michael F
Sent: Wednesday, July 25, 2018 11:22 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

Right, I think that would be a good idea, being mindful of Steve and L colleagues' comments yesterday...

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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 11:21 AM
To: Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

No - the background is provided for background; this is understood in the context of a standard format, but I can add:

Background (not for public use):

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From: Miller, Michael F
Sent: Wednesday, July 25, 2018 11:18 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>; Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

Looks good...are we comfortable with S saying aloud what's in the background?

Official - SBU
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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 11:14 AM
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A <RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Miller, Michael F <MillerMF@state.gov<mailto:MillerMF@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

Thanks. L/PM, are you provisionally ok with the below?

Q&A on 3D Printing of Firearms Settlement

IF ASKED: Will you postpone implementation of the settlement on 3D-printed firearms

* I am aware of Congress' concerns on this matter, though I would observe that the Department's role in this relates only to our control of exports.

IF PRESSED: Will you postpone implementation of the settlement?

* I will be happy to take that back and consult with our Legal Advisor.

Background:

In 2013 the Department became aware of the presence of CAD files for the 3-D printing on firearms on the webpage of Defense Distributed, and directed that they be taken down pending a commodity jurisdiction review. DD ultimately sued the Department, alleging violations of the 1st, 2nd, and 5th Amendments. In close consultation with the Department of Justice, the Department settled the case in 2018 and agreed to authorize for public release the CAD files that were the subject of the litigation.

An adverse ruling on the merits of this case could have called into question the Department's authority to control the export and posting on the internet of more sensitive technical data. If we pursued this DD case to its judicial conclusion and lost, it is possible that the ruling could have undermined the technical data controls that regulate information required to, e.g., develop or modify sensitive munitions items, and which might be utilized by adversaries to advance their own technology or develop countermeasures to U.S. platforms.

Official - SBU
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From: Hart, Robert L
Sent: Wednesday, July 25, 2018 11:12 AM
To: Paul, Joshua M <PaulJM@state.gov<mailto:PaulJM@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B <FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A

<RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>;
Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: RE: S Contingency Lines

Sarah is reviewing but this is what I had in the draft I sent over -

In 2013 the Department became aware of the presence of CAD files for the 3-D printing on firearms on the webpage of Defense Distributed, and directed that they be taken down pending a commodity jurisdiction review. DD ultimately sued the Department, alleging violations of the 1st, 2nd, and 5th Amendments. In close consultation with the Department of Justice, the Department settled the case in 2018 and agreed to authorize for public release the CAD files that were the subject of the litigation.

An adverse ruling on the merits of this case could have called into question the Department's authority to control the export and posting on the internet of more sensitive technical data. If we pursued this DD case to its judicial conclusion and lost, it is possible that the ruling could have undermined the technical data controls that regulate information required to, e.g., develop or modify sensitive munitions items, and which might be utilized by adversaries to advance their own technology or develop countermeasures to U.S. platforms.

Rob Hart
202.736.9221 | hartrl@state.gov<mailto:hartrl@state.gov>

Official - SBU
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From: Paul, Joshua M
Sent: Wednesday, July 25, 2018 11:09 AM
To: Hart, Robert L <HartRL@state.gov<mailto:HartRL@state.gov>>
Cc: Heidema, Sarah J <HeidemaSJ@state.gov<mailto:HeidemaSJ@state.gov>>; Freeman, Jeremy B
<FreemanJB@state.gov<mailto:FreemanJB@state.gov>>; Rogers, Shana A
<RogersSA2@state.gov<mailto:RogersSA2@state.gov>>; Miller, Michael F
<Millermf@state.gov<mailto:Millermf@state.gov>>; PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>;
Darrach, Tamara A <DarrachTA@state.gov<mailto:DarrachTA@state.gov>>
Subject: S Contingency Lines
Importance: High

Hi Rob,

Not sure how far along you are on the PM Q&A, but can you send me ASAP a paragraph of background to accompany the following basic bullets so we can provide this in draft to H in case S gets asked about this today in his public Hearing with SFRC, as seems increasingly possible?

IF ASKED: Will you postpone implementation of the settlement on 3D-printed firearms

* I am aware of Congress' concerns on this matter, though I would observe that the Department's role in this relates only to our control of exports.

IF PRESSED: Will you postpone implementation of the settlement?

* I will be happy to take that back and consult with our Legal Advisor.

Background: XXX

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From: Rice, Edmund <Edmund.Rice@mail.house.gov>
Sent: Friday, July 20, 2018 11:03 AM
To: Miller, Michael F; Paul, Joshua; Darrach, Tamara
Cc: McCormick, Jamie; Fite, David; Oliver, Stacie
Subject: Request briefing on proposed ITAR change on 3-D printing software for plastic firearms
Attachments: Defense Distributed Settlement Agreement 6-28-8.pdf
Importance: High

Mike, et.al.:

This is to request a briefing on the terms of the settlement (attached) that the State Department entered into June 29th regarding Defense Distributed et al v. United States Department of State et al, Western District of Texas, Civil Docket # 1:15-cv-00372-RP. This is the suit brought by several persons who want to make available online software for manufacture via 3-D printing of firearms, including plastic firearms.

In particular, item 1(b) indicates that State will amend the ITAR to remove the subject software from the USML by July 27th. Several House Members have brought this matter to Rep. Engel's attention and I have been asked to look into this ASAP. I expect that Jamie, David and Stacie also would need to know about this.

Perhaps this could be covered at our July 25th arms transfer meeting. One way or another, I need a briefing on this prior to July 27th.

Ed

Edmund B. Rice
Senior Professional Staff Member
Democratic Staff
House Foreign Affairs Committee
B-360 Rayburn House Office Bldg.
202-226-8467

From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Thursday, July 19, 2018 12:12 PM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: The Daily Dot: Cody Wilson on what's next for DefCad after 3D-printed gun court victory

[cid:image001.png@01D29279.128F6050]

Cody Wilson on what's next for DefCad after 3D-printed gun court victory By Christina Bonnington
 19 July 2018

Five years ago, Cody Wilson successfully fired a round on a 3D-printed gun. He and members of his nonprofit, Defense Distributed, uploaded the design file and eight others to a website called DefCad so that anyone could download and 3D-print their own weapon. Unfortunately the move, seen by Wilson at the time as a way to initiate “social change and radical change,” triggered some unexpected consequences: The U.S. State Department claimed Defense Distributed may have violated U.S. trade law by making firearm schematics available to foreign nationals.

Thus began what would become a years-long battle with the Department of Justice that finally ended last week. On July 10, Wilson revealed that government lawyers finally settled the suit, agreeing to exempt “the technical data that is the subject of the Action” from legal restriction. That is, Wilson and Defense Distributed are free to upload designs of working firearms to the internet; those files are legal to own and share, and the resulting weapons are legal to own.

While the legal challenges are over for Wilson, he now has a new set of difficulties to face as he builds DefCad back, tries to rebuild its community of people, bring in industry stakeholders, and prevent any sort of intellectual property war from happening.

“I’m just beginning—again—what I was doing five years ago,” Wilson told the Daily Dot. “It’s hard to have the same mental resolution. I don’t remember exactly what it was I was doing five years ago. It’s a lot of work, but it’s about beginning something you used to find interesting and fascinating and returning to that.”

Wilson spoke not with defeatism, but with a calm and an air of exhaustion. With good reason: Three years ago, it was “pretty clear” he wasn’t going to win against the DoJ. There were years of evasive decisions, but nothing definitive—no relief. “I thought at best I’d get some kind of noble failure, and that would give me the moral authority to do the next thing,” he said.

Wilson’s battle with the State Department was essentially one of free speech versus Cold War-era firearms regulations. While Wilson and Defense Distributed did everything in their power to ensure their 3D-printed weapons followed U.S. firearm law (including acquiring a federal firearms license and including a thick steel bar in the handle of weapons, per the 1998 Undetectable Firearms Act), the State Department saw the operation as a violation of the International Traffic in Arms Regulations. ITAR is a set of trade laws that require exporters to get government approval before exporting firearms, and the State Department included blueprints and designs as part of ITAR’s broad regulatory domain. It wasn’t a battle of whether citizens had the legal right to download and 3D print their own guns—it was a question of whether foreign nationals downloading such plans was considered an export, or whether these CAD files fell under free speech and the public domain.

The Department of Justice’s settlement wasn’t technically in his favor, Wilson said—but it did grant him everything he’d wanted out of the case, so in essence, it’s still a legal victory for a man once selected as one of Wired’s 15 most dangerous people in the world. (And for many, the decision was not surprising: Export lawyer Robert Clifton Burns told

Ars Technica that a change in these laws was inevitable, because saying that “putting something on the Internet is an export to the entire world is ridiculous.”)

Now, he has a chance to resume his original passion, but it won’t be his day job. Wilson owns a manufacturing company in Austin, Texas, so he needs to run that operation to pay the bills while simultaneously working on the software company he was forced to put on hold for half a decade. DefCad goes back online Aug. 1, and the team already has some files ready to upload, as well as people it’s invited to participate. The site, which is free to use, will be library portfolio-style, where users can search files by tag or category. The files themselves, too, are free to download.

Critics and gun control activists are rightfully alarmed by the settlement, which could give domestic abusers and felons easier access to firearms that background checks would typically prevent. It’s also seen as a strategic move by the Trump administration to further its quest to deregulate and increase access to firearms.

Wilson, who’s been dubbed a “technoanarchist,” says that while he doesn’t want people to do bad things, he’s “kind of a fundamentalist when it comes to openness of speech and information.” With DefCad back online, he’s also excited to see how people will continue to experiment with 3D printers and to see what “interesting composite weapons” people have yet to imagine. He also sees the platform as educational, allowing people to study gun mechanisms and functions and use that knowledge to build new things.

While the legal battle over DefCad and the idea of 3D printable guns in the U.S. is now settled, it’s a controversial topic that’s unlikely to disappear from the public eye. For Cody Wilson, it means he can finally get back to business.

Link: <https://www.dailydot.com/debug/cody-wilson-defcad-interview/>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: Marquis, Matthew R <MarquisMR@state.gov>
Sent: Thursday, May 31, 2018 10:22 AM
To: PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: CPA Media Monitoring: The Outdoor Wire: How to make international sales happen faster under Export Control Reform

[cid:image001.png@01D29279.128F6050]

How to make international sales happen faster under Export Control Reform By Orchard Advisors
31 May 2018

The transfer of non-military firearms, components and ammunition from the International Traffic in Arms Regulations (ITAR) to the Export Administration Regulations (EAR) under Export Control Reform (ECR) will give U.S. exporters big opportunities to reduce, and in some instances eliminate, delays in fulfilling international orders that arise from the processing time for export licenses.

In the old days - i.e., now - a manufacturer or other exporter had to be in possession of a purchase order in appropriate form before it could submit an export license. Also required were an import permit from the destination country, an end user statement and in some instances a DSP-83, all in the correct form and with English translations if they were not in English. Mess these up, or the DSP-5 application, and DDTC could make you start over again.

Firearm orders of \$1 million or more? Fuggedaboutit! With the ITAR's requirement for "Congressional Notification" of million-dollar-plus firearms exports and the many-months wait for Congressional sign-off, those guns wouldn't go out the door until long after foreign competitors' guns had been delivered and deployed.

Under the new rules being introduced under Export Control Reform, purchase orders will no longer be required when submitting export licenses. This is a much bigger change than you may think.

Apply for licenses based on sales forecasts

The first thing to rethink when ECR goes into effect is why wait for a purchase order if you don't need one?

If you sell non-military firearms to repeat customers in foreign countries, it will make sense to apply for EAR licenses periodically based on sales forecasts. That way, you can have a license in place before the customer places its order.

All you need from the customer is an import permit. If you already have a current import permit on file covering the guns in the forecast, you won't even need the customer's participation to put the license in place.

The commentary published by the Department of Commerce, Bureau of Industry and Security (BIS) with its ECR rules encourages industry to take advantage of this new opportunity:

"Under the [ITAR] licensing procedure, an applicant must include a purchase order or contract with its application. There is no such requirement under the [EAR] licensing procedure . . . [An EAR] license applicant need not limit its application to the quantity or value of one purchase order or contract. It may apply for a license to cover all of its expected exports or reexports to a particular consignee over the life of a license, reducing the total number of licenses for which the applicant must apply."

ECR will enable you and your customer to design your sales / license cycle to suit your operations planning needs and the customer's delivery requirements. The only limiting factor will be the validity period of the customer's import permit, which ordinarily will be less than the four-year term of an EAR license.

If you turn out to have been too optimistic and a purchase order never arrives from a customer for whom you've obtained a license, have you wasted a \$250 license fee? No; there is no fee for EAR licenses.

Drive license preparation from your ERP system

When a new or occasional customer places a purchase order that you haven't anticipated, you will be able to accelerate license receipt by taking advantage of technology. Whether you apply for export licenses based on sales forecasts or the receipt of purchase orders, the information required to populate EAR export licenses can flow directly from your ERP system to the license application using software solutions that have been available for years but that haven't been cost-effective for most firearm companies under the ITAR.

Imagine having your company's "digital brain" populate license applications with information that is already in the system, accelerating the license-approval process and shifting the focus of licensing personnel from data entry to license review and approval and license system management.

Obtain \$1 million+, multi-year blanket licenses

Under ECR, there will no longer be a U.S. regulatory disincentive to accepting multi-million-dollar blanket purchase orders. The ITAR discourages manufacturers and other exporters from doing what they most want, which is to accept very large purchase orders from good customers. That's because licenses for firearm exports of \$1 million or more must be notified to Congress, adding months to the license approval process.

In addition, DDTC will not approve so-called "blanket" purchase orders that establish maximum quantities and prices, but which don't obligate the customer to purchase everything on the purchase order.

Both these problems disappear under ECR for non-military firearms. As noted above, a purchase order is not even required under the EAR so "blanket" arrangements are easy to put into place. As for Congressional Notification, that doesn't exist under the EAR.

Go for it on the large POs when the EAR take effect in 2019!

Apply for licenses at the beginning of tenders, rather than the end

If your company sells non-automatic or semi-automatic firearms with law enforcement or military applications, one of the most exciting changes may be the effect ECR will have on your ability to compete in large foreign tenders.

Consider this scenario. A foreign government announces a tender for semi-automatic AR rifles for its national police force. Assume that an import permit is not required under local law for the designated governmental end user. If you obtain an official letter at the outset of the tender that an import permit is not required, you will have what you need to apply for a license, long before you have been selected as the winning bidder. Depending on the pace of the selection process, you may already have your license in hand when your bid is accepted. You certainly can't do that today.

The availability of this opportunity is addressed in the commentary to the new ECR rules:

"[Under the EAR] the applicant has a way of determining whether the U.S. Government would authorize the transaction before it enters into potentially lengthy, complex and expensive sales presentations or contract negotiations. Under the [ITAR] licensing procedure, the applicant would need to caveat all sales presentations with a reference to the need for

government approval and would more likely have to engage in substantial effort and expense with the risk that the government might reject the application."

Furthermore, because there is no Congressional Notification under the EAR, this approach will work even when your sales price will equal or exceed \$1 million. Imagine shortening a nine-month post-award wait for approval of a \$2.5 million export to zero!

How can Orchid Advisors help?

Orchid Advisors, the #1 provider of regulatory compliance solutions to the firearms and ammunition industry, is looking beyond the mechanical changes in licensing and export compliance programs that ECR will entail to the exciting new business opportunities that will become available to the industry when ECR becomes effective in 2019.

Orchid's ITAR / EAR Practice helps companies in the firearms and ammunition industry (i) sell firearms, ammunition and components to foreign customers, (ii) build sustainable export compliance programs, and (iii) design, source and manufacture firearms, components, tools and accessories outside the United States.

Look to Orchid Advisors to help you take command of the new export environment in the following ways:

- *Formulation of EAR-driven international sales and sourcing strategies.
- *Preparation of export licenses and provision of other "export compliance department" services on an outsourced basis.
- *Practical advice on making near-term decisions under the ITAR that will be affected in 2019 by the new rules.
- *Development of integrated export and ATF compliance solutions for transitioning to the post-ITAR world.

Link: <http://www.theoutdoorwire.com/story/46e2ab98-9437-46f7-b680-9a5f1e9259c2>

Matthew Marquis

Office of Congressional & Public Affairs Bureau of Political-Military Affairs (PM/CPA) U.S. Department of State

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<<http://www.state.gov/t/pm%20/>> | Twitter: @StateDeptPM

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From: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Sent: Tuesday, March 27, 2018 4:59 PM
To: Hart, Robert L
Cc: Dearth, Anthony M; Heidema, Sarah J; Koelling, Richard W; Paul, Joshua M; PM-Staffers Mailbox; Steffens, Jessica L
Subject: PM Final: Defense Distributed offer of settlement
Attachments: DDTC DD Counteroffer RLH.DOCX

Rob,

PDAS Kaidanow approved without changes or comment.

Best,

Bill Hayes
PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>
Staff Assistant
202-647-8089

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From: Kaidanow, Tina S
Sent: Tuesday, March 27, 2018 4:45 PM
To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov>
Cc: Steffens, Jessica L <SteffensJL@state.gov>
Subject: RE: For Review: FW: Defense Distributed offer of settlement

approve

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From: PM-Staffers Mailbox
Sent: Tuesday, March 27, 2018 2:57 PM
To: Kaidanow, Tina S <KaidanowTS@state.gov<mailto:KaidanowTS@state.gov>>
Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<mailto:PM-StaffersMailbox@state.gov>>; Steffens, Jessica L <SteffensJL@state.gov<mailto:SteffensJL@state.gov>>
Subject: For Review: FW: Defense Distributed offer of settlement

PDAS Kaidanow,

Please see attached for your clearance an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas.

Best,

Bill Hayes

PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>

Staff Assistant

202-647-8089

Official - Transitory

UNCLASSIFIED

From: Steffens, Jessica L

Sent: Tuesday, March 27, 2018 2:47 PM

To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>

Subject: RE: For Jessica: FW: Defense Distributed offer of settlement

Hi. I haven't made it through all of my emails given all the trip prep meetings, but DTC was going to send up some background on this case. That additional info should go up along with this approval request.

Thanks.

Official - Transitory

UNCLASSIFIED

From: PM-Staffers Mailbox

Sent: Tuesday, March 27, 2018 9:55 AM

To: Steffens, Jessica L <SteffensJL@state.gov<<mailto:SteffensJL@state.gov>>>

Cc: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>

Subject: For Jessica: FW: Defense Distributed offer of settlement

Jessica - please see attached for PDAS Kaidanow clearance an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas. Rob Hart said he is available to answer any questions.

Best,

Bill Hayes

PM/FO SharePoint<<http://pm.t.state.sbu/fo/SitePages/Home.aspx>>

Staff Assistant

202-647-8089

Official - SBU

UNCLASSIFIED

From: Hart, Robert L

Sent: Tuesday, March 27, 2018 9:50 AM

To: PM-Staffers Mailbox <PM-StaffersMailbox@state.gov<<mailto:PM-StaffersMailbox@state.gov>>>

Cc: Dearth, Anthony M <DearthAM@state.gov<<mailto:DearthAM@state.gov>>>; Heidema, Sarah J

<HeidemaSJ@state.gov<<mailto:HeidemaSJ@state.gov>>>; Koelling, Richard W

<KoellingRW@state.gov<<mailto:KoellingRW@state.gov>>>; Paul, Joshua M

<PaulJM@state.gov<<mailto:PaulJM@state.gov>>>

Subject: Defense Distributed offer of settlement

Hello,

Attached for PDAS Kaidanow's review and clearance is an offer of settlement of the Defense Distributed case currently before the U.S. District Court for the Western District of Texas. I will follow up with Alicia or Bill to explain in more detail by phone. This document is being reviewed simultaneously by L/PM, but we request clearance on the substantive aspects of the offer as an ITAR matter.

To meet L's timeline we would be grateful for clearance by COB today. Please call me if you have any questions.

Thanks,

Rob Hart

Chief (Acting), Regulatory and Multilateral Affairs Division Department of State | Directorate of Defense Trade Controls
202.736.9221 | hartrl@state.gov<<mailto:hartrl@state.gov>>

Official - SBU
UNCLASSIFIED

From: Jim Bartlett, Full Circle Compliance <jebartlett@fullcirclecompliance.eu>
Sent: Wednesday, July 11, 2018 2:44 PM
To: pauljm@state.gov
Subject: 18-0711 Wednesday "Daily Bugle"

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Wednesday, 11 July 2018
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The Daily Bugle is a free daily newsletter from Full Circle Compliance, containing changes to export/import regulations (ATF, DOE/NRC, Customs, NISPOM, EAR, FACR/OFAC, FAR/DFARS, FTR/AES, HTSUS, and ITAR), plus news and events. Subscribe here [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\_S1ybW1AojTkFUCK1iCcEY8um2oUvzMXoOAOEsLwiPY3908e9Zvr0BsqaDr-hrK2m-W0OvpOawth2CJ68CXrd9dyF9Ek\_G6IFA199BcOP\_t6Oe\_MiHKMOfhQfUswdJZdc-IAGYxrEI2H4IcwahHX8-synKQSlxEdAMBmEzhJnOE5LkphRTsD2diQPXSUG&c=EVmNhjw4cE7A1e5kc\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==] for free subscription. Contact us [mailto:advertising@fullcirclecompliance.eu] for advertising inquiries and rates.  
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ITEMS FROM FEDERAL REGISTER

1. USTR Posts Exclusion Requests Procedures Concerning China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions
2. Commerce/BIS: (No new postings.)
3. DHS/CBP Posts New ACE Reports Information Notice
4. DoD/DSCA Posts Policy Memo 18-33
5. State/DDTC: (No new postings.)
6. USTR Posts Statement by U.S. Trade Representative Robert Lighthizer on Section 301 Action

NEWS

1. Defense One: "Hacker Caught Selling Maintenance Manuals for Military Drones"
2. USA Today: "Trump Administration Threatens China with \$200 Billion in Additional Tariffs"
3. Wired: "A Landmark Legal Shift Opens Pandora's Box for DIY Guns"

COMMENTARY

1. B. Mulier, S.M. Werner & S. Du: "Will China's Upcoming Export Controls Impact Your Business?" (Part II of II)
2. L. Feldman: "The Art of the Trade Deal - Top Five Strategies to Avoid or Reduce Section 232 and 301 Duty Increases"
3. M. Volkov: "Lessons Learned from Credit Suisse Corrupt Hiring Scheme and FCPA Settlement (Part II of II)"
4. T. Murphy: "Section 301 -- US Imposes Duties on \$200 Billion Worth of Chinese Imports"

EX/IM TRAINING EVENTS & CONFERENCES

1. Full Circle Compliance Presents "Awareness Course U.S. Export Controls: ITAR & EAR from a Non-U.S. Perspective ", 2 Oct in Bruchem, the Netherlands

EDITOR'S NOTES

1. Bartlett's Unfamiliar Quotations
2. Are Your Copies of Regulations Up to Date? Latest Amendments: ATF (15 Jan 2016), Customs (12 Jun 2018), DOD/NISPOM (18 May 2016), EAR (6 Jun 2018), FACR/OFAC (29 Jun 2018), FTR (24 Apr 2018), HTSUS (8 Jun 2018), ITAR (14 Feb 2018)
3. Weekly Highlights of the Daily Bugle Top Stories

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## ITEMS FROM TODAY'S FEDERAL REGISTER

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1. USTR Posts Exclusion Requests Procedures Concerning China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Source: Federal Register [83 FR 32181-32184: Procedures to Consider Requests for Exclusion of Particular Products From the Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation
* AGENCY: Office of the United States Trade Representative.
* ACTION: Notice and request for comments.
* SUMMARY: In a notice published on June 20, 2018, the U.S. Trade Representative (Trade Representative) determined that appropriate action to obtain the elimination of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation includes the imposition of an additional ad valorem duty

of 25 percent on products from China classified in certain enumerated subheadings of the Harmonized Tariff Schedule of the United States (HTSUS). See 83 FR 28710.

The June 20 notice also announced that the Trade Representative would establish a process by which U.S. stakeholders may request that particular products classified within a covered tariff subheading be excluded from the additional duties. Today's notice sets out the specific procedures and criteria related to requests for product exclusions, and opens up a docket for the receipt of exclusion requests.

* DATES: USTR must receive requests to exclude a particular product by October 9, 2018. Responses to a request for exclusion of a particular product are due 14 days after the request is posted in docket number USTR-2018-0025 on www.regulations.gov. Any replies to responses to an exclusion request are due 7 days after the close of the 14 day response period.

* ADDRESSES: USTR strongly prefers electronic submissions made through the Federal eRulemaking Portal: <http://www.regulations.gov> [http://r20.rs6.net/tn.jsp?f=001qrhmlRVDH9-xxwmB1TXVMOaWlflrlUOuX_S1ybW1AojTkFUCK1iCbdKsk6w-6JPosbcOZSkXlrgB7A8K3FTP2eecNyULUg4Eg8YcqVITAENoC9H0Wxt4wUxWUiDGEWXRw04vuzGdHl_abtikC4P7-UbxmLH21P9Tj70Ue3kiv4=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

Follow the instructions for submitting requests for exclusion and responses to requests in section B below. The docket number is USTR-2018-0025.

* FOR FURTHER INFORMATION CONTACT: For questions about the product exclusion process, contact USTR Assistant General Counsel Arthur Tsao or Director of Industrial Goods Justin Hoffmann at (202) 395-5725. For questions on customs classification or implementation of additional duties, contact Traderemedy@cbp.dhs.gov [<mailto:Traderemedy@cbp.dhs.gov>].

* SUPPLEMENTARY INFORMATION: ...

USTR invites interested persons, including trade associations, to submit requests for exclusion from the additional duties of a particular product classified within a HTSUS subheading set out in Annex A of the notice published at 83 FR 28710 (June 20, 2018). As explained in more detail below, each request must specifically identify a particular product, and provide supporting data and the rationale for the requested exclusion. USTR will evaluate each request on a case-by-case basis, taking into account whether the exclusion would undermine the objective of the Section 301 investigation. Any exclusion will be effective starting from the July 6, 2018 effective date of the additional duties, and extend for one year after the publication of the exclusion determination in the Federal Register. In other words, an exclusion, if granted, will apply retroactively to the July 6 date of the imposition of the additional duties. USTR periodically will announce decisions on pending requests. ...

Robert E. Lighthizer, United States Trade Representative.

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OTHER GOVERNMENT SOURCES

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## 2. Items Scheduled for Publication in Future Federal Register Editions

(Source: Federal Register [[http://r20.rs6.net/tn.jsp?f=001qrhmlRVDH9-xxwmB1TXVMOaWlflrlUOuX\\_S1ybW1AojTkFUCK1iCd9zjKM8liq9A3ypBaqSHmW3L--SB3VzckwMgErWRyGRsEq58fBYchXFhadxAo5HS3e\\_rzxByK24vCX8A89rIT-9G9WUivIMIXBRNyQuu4Mi1LPZCIN5IFJzBAut352OYhABMHG2ITfkRpxJa94J5Y=&c=EVmNhjw4cE7A1e5kc\\_t-](http://r20.rs6.net/tn.jsp?f=001qrhmlRVDH9-xxwmB1TXVMOaWlflrlUOuX_S1ybW1AojTkFUCK1iCd9zjKM8liq9A3ypBaqSHmW3L--SB3VzckwMgErWRyGRsEq58fBYchXFhadxAo5HS3e_rzxByK24vCX8A89rIT-9G9WUivIMIXBRNyQuu4Mi1LPZCIN5IFJzBAut352OYhABMHG2ITfkRpxJa94J5Y=&c=EVmNhjw4cE7A1e5kc_t-)]

YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-  
xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==])

[No items of interest noted today.]

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### 3. Commerce/BIS: (No new postings.)

(Source: Commerce/BIS [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfpIrlUOuX\_S1ybW1AojTkFUCK1iCR-v3z8\_aaQizNmJn888-  
YkW5Y0XH3VizEIUnzpTiVEgmSwGwTmjxn4rcAJnE9MG2y-RLL6y2uU9XIYX\_FbL-  
ctPykJe0XW0BVdWskCkJPpfxvAEiCAQiaA=&c=EVmNhjw4cE7A1e5kc\_t-  
YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-  
xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==])

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### 4. DHS/CBP Posts New ACE Reports Information Notice

(Source: CSMS #18-000431 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfpIrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqnir44jsakY4qrHocr7p70BKIYNwlgxwubn-  
9TfZnZ7weu3Pckf3VxLYFajRUGgx7-1d4rksKHHAwqBD6aHb\_lvz4n48XHPsB8fW8NjBVxp6vhL6-  
92EARGvCS8eAmXNN4uKICYRMU1\_li0WUT4B9PVbEm1Ss\_IP6Sf44VtNYZgqYY4vgCRfbHckjTsmTAuPmvdC-wF3c-  
MXisQDZtT7odvT0QLZu26sFGQe8bNI2FUPXI31uIMB\_cdMSOXyP3A&c=EVmNhjw4cE7A1e5kc\_t-  
YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-  
xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==],

11 July 2018.)

The ACE Reports Information Notice has been published to provide details on the  
upcoming July 12, 2018 reports deployment, to include:

- A New Liquidations Report;
- Planning to Transition to the Entry Summary (ES) Universe and Reports; and
- ADCVD Universe Updates.

More information can be found in the ACE Reports Information Notice [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfpIrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqn\_z59xRGxUup18yDGaDE\_IB3IBcxJKjvKXaaZc8e17xgX  
bWPC0F\_0LrjU6rizl\_QexcxRtuz\_cxRro5\_RWvczj9aF9YYdeoFY9ssuo0yjMeekq3QNzvrxt4HBXVIMpaZYRqHwBTInpEhO5FFq  
eq3pqEo0wV1GrX3SOPBDKxVQPka=&c=EVmNhjw4cE7A1e5kc\_t-  
YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-  
xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==].

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### 5. DoD/DSCA Posts Policy Memo 18-33

(Source: DoD/DSCA [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfpIrlUOuX\_S1ybW1AojTkFUCK1iCalW3HrZV\_ao8cyLNmosFq-  
xdpQMmw15cG1CAJCPACzDslvGD8z3K83p1D1vtOHobn5ja1O-iFLEjn\_a-dt6oi\_ljGzFcRXXRfYvAKk48hJ-  
jZDWjfe84Mw=&c=EVmNhjw4cE7A1e5kc\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-  
xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==],

11 July 2018.)

\* DSCA Policy Memo 18-33 Force Closure of Building Partner Capacity (BPC) Funded

Cases [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-

xxwmB1TXVMOaWlfpIrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqnuloshUuXOHYcvzt-EG1r\_2MxSJ\_0CkNeFVm\_jw-

ST11aA-h0XN19XJkMpV9qX-FpNsa0QEo1HJOgzGPzfYTwlg8ql0hHncRHKr2Fi-K1yXTfMVTX-  
 NF0vmxSX2Lf6PxuJajWl86PzO2ThpcUk8MAA==&c=EVmNhjw4cE7A1e5kc\_t-  
 YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-  
 xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]  
 has been posted.

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#### 6. State/DDTC: (No new postings.)

(Source: State/DDTC [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\\_S1ybW1AojTkFUCK1iCShKmSj8lw088jlgTbzsZksRssgQ1nmNuJG0WCnKUYUnRqvZJAVWV3Kt4-A5vnAvVFXZrX-tuZgTbjdHDLveWeXarTCy0Lof80HlrL7fhsMFFQJ\\_3ZBAuARGbFGXq6kOO2La6wg8o8\\_KIUKXOJz7fFa\\_5oulFlu-Bs7sKU2ot8ox&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCShKmSj8lw088jlgTbzsZksRssgQ1nmNuJG0WCnKUYUnRqvZJAVWV3Kt4-A5vnAvVFXZrX-tuZgTbjdHDLveWeXarTCy0Lof80HlrL7fhsMFFQJ_3ZBAuARGbFGXq6kOO2La6wg8o8_KIUKXOJz7fFa_5oulFlu-Bs7sKU2ot8ox&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)])  
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#### 7. USTR Posts Statement by U.S. Trade Representative Robert Lighthizer on Section 301 Action

(Source: USTR [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnFbDOn6-eRUctQHYkAXENsRfuyOE3pewtjQkcXVVXoFOaUEbL1WVJxYrRSHIAbkxWpTyALG1\\_F4x0im88CEBnOjYQK-uYmvh5Bd\\_4gioM4dPMedgOeKBUMRh8zOyCcBL1oQ3rutK4b4rUydqCDvw-Hp6rXe\\_sErHsEVmYXb80-rV6FFQsrajMKfTzTZyOCQh2kRQgXWfvqbplv8YOcPJBG5oopglq3FrNlgZTnDvKKKbib7xZo3XbA==&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnFbDOn6-eRUctQHYkAXENsRfuyOE3pewtjQkcXVVXoFOaUEbL1WVJxYrRSHIAbkxWpTyALG1_F4x0im88CEBnOjYQK-uYmvh5Bd_4gioM4dPMedgOeKBUMRh8zOyCcBL1oQ3rutK4b4rUydqCDvw-Hp6rXe_sErHsEVmYXb80-rV6FFQsrajMKfTzTZyOCQh2kRQgXWfvqbplv8YOcPJBG5oopglq3FrNlgZTnDvKKKbib7xZo3XbA==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)],  
 10 July 2018.) [Excerpts.]

"On Friday, in response to unfair Chinese practices, the United States began imposing tariffs of 25 percent on approximately \$34 billion worth of Chinese imports. These tariffs will eventually cover up to \$50 billion in Chinese imports as legal processes conclude. The products targeted by the tariffs are those that benefit from China's industrial policy and forced technology transfer practices.

"China has since retaliated against the United States by imposing tariffs on \$34 billion in U.S. exports to China, and threatening tariffs on another \$16 billion. It did this without any international legal basis or justification.

"As a result of China's retaliation and failure to change its practices, the President has ordered USTR to begin the process of imposing tariffs of 10 percent on an additional \$200 billion of Chinese imports. This is an appropriate response under the authority of Section 301 to obtain the elimination of China's harmful industrial policies.

USTR will proceed with a transparent and comprehensive public notice and comment process prior to the imposition of final tariffs, as we have for previous tariffs.

"On August 14, 2017, President Trump instructed USTR to begin the Section 301 process.

For many years, China has pursued abusive trading practices with regard to intellectual property and innovation. USTR conducted a thorough investigation over an 8-month period, including public hearings and submissions. In a detailed 200-page report [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\\_S1ybW1AojTkFUCK1iCWcFCcl2iYQ3PV\\_UrOYft7fs9ztyyVTN0Ac5-7PTQnV2F7zwq1NYmpCwE9ZQ87Z82V3\\_XU4tqAzPurFD5I1TwBw3RYf7CR1O9J-A5ZT51PHiWpgVzmUQYbIK63zKn022H7pNUY9Ou3fJBqAjqRIR\\_IYXRXPJXfde6zP0fsTsA7wlukXSJKTuJhU=&c=EVmNhjw4cE](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCWcFCcl2iYQ3PV_UrOYft7fs9ztyyVTN0Ac5-7PTQnV2F7zwq1NYmpCwE9ZQ87Z82V3_XU4tqAzPurFD5I1TwBw3RYf7CR1O9J-A5ZT51PHiWpgVzmUQYbIK63zKn022H7pNUY9Ou3fJBqAjqRIR_IYXRXPJXfde6zP0fsTsA7wlukXSJKTuJhU=&c=EVmNhjw4cE)]

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7A1e5kc\_tYZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==],

USTR found that China has been engaging in industrial policy which has resulted in the transfer and theft of intellectual property and technology to the detriment of our economy and the future of our workers and businesses.

"USTR's Section 301 report found that Chinese policies and practices force U.S. innovators to hand over their technology and know-how as the price of doing business in China. China also uses non-economic means to obtain U.S. technology, such as using state-owned funds and companies to buy up American businesses and imposing burdensome intellectual property licensing requirements in China. USTR's report also found that the Chinese government sponsors the outright theft of U.S. technology for commercial benefit. These practices are an existential threat to America's most critical comparative advantage and the future of our economy: our intellectual property and technology. ...

The proposed list and process for the public notice and comment period is set out in a Federal Register notice, which will be published within the next few days.

To view the notice, including the list of proposed tariffs on \$200 billion of Chinese imports, click here [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnWJfjwVnhqYFX6UsiaLXMe5-nZARmO5FsVJEKEvQ9LT4EhJWAYzoAVAcX4j2SMHEQpf0cCebnW\\_hRavGWzenodzNftuEszw-vnECXelQ7TNoYG3dFRyEA4EXS1F6Gm\\_2n0iLtCOTry8mapkXukoFupxw-da9mZJcfqJa87s6A9RxPuGJiq7OdaCB24CnYrZHbpOgKCn4LcCU=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnWJfjwVnhqYFX6UsiaLXMe5-nZARmO5FsVJEKEvQ9LT4EhJWAYzoAVAcX4j2SMHEQpf0cCebnW_hRavGWzenodzNftuEszw-vnECXelQ7TNoYG3dFRyEA4EXS1F6Gm_2n0iLtCOTry8mapkXukoFupxw-da9mZJcfqJa87s6A9RxPuGJiq7OdaCB24CnYrZHbpOgKCn4LcCU=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)].

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## NEWS

### 8. Defense One: "Hacker Caught Selling Maintenance Manuals for Military Drones"

(Source: Defense One [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqn2e5TQHblwve5XHfTj3bMRwxpfoqXYHzKtZg7bB8fBlvtcjClZKBaLhldb59750ps0CGa\\_7uuel6BH8iOKMUkanOhOOVk2HUVd5Z29\\_qy3XH9WvsuCmXCnkfuGPW70yzMfl78LMidOMnKW6864U4WTPS0g48VvjMi3AJ-EHBg9Zw82pmBVXG6FUXpUKPeaY4a-zjLo-dg0IG9Or9HW1-2E579nb0PGA8QtByWPQWQQY=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqn2e5TQHblwve5XHfTj3bMRwxpfoqXYHzKtZg7bB8fBlvtcjClZKBaLhldb59750ps0CGa_7uuel6BH8iOKMUkanOhOOVk2HUVd5Z29_qy3XH9WvsuCmXCnkfuGPW70yzMfl78LMidOMnKW6864U4WTPS0g48VvjMi3AJ-EHBg9Zw82pmBVXG6FUXpUKPeaY4a-zjLo-dg0IG9Or9HW1-2E579nb0PGA8QtByWPQWQQY=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)], 10 July 2018.) [Excerpts.]

A poorly configured router allowed the theft of drone manuals, a list of maintainers, material on the Abrams tank, and more.

Until last week, you could have purchased one of the U.S. military's training manuals for the MQ-9 Reaper drone, along with a maintenance manual for the Abrams tank, a guide to defeating IEDs, and other sensitive materials, thanks to a hacker who put the stolen materials up for sale online.

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The theft and attempted sale were brought to light by cybersecurity and threat intelligence group Recorded Future, which published a report about the incident and is working with law enforcement personnel on it.

Recorded Future officials said they got involved last week when they noticed a suspicious-looking online advertisement for the manuals, a list of airmen within a unit assigned to the drone's maintenance, and more. They contacted the thief, who said that he had hacked his way to the materials after an Air Force captain with the 432d Aircraft Maintenance Squadron at Creech Air Force Base in Nevada failed to properly set transfer protocol settings on his NETGEAR router, a widely-known vulnerability [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnEoiDtJ\\_h5gmWUgGME811wn1J4PVYqhcQLHEsqswEwud5IFH3lvGVKoCxuH4014dReon9y9EG5AahFG9k6N6K6J2vNQ\\_ccE\\_UZpxcUNjqlCEUv03ALHiygnWSpkYr2c0TOM-TOPHLKhJxu8GzxluBcPAU9vobgS7Q5VnyCKq9AEK2ToHTaEZAscXr5\\_TYKN3-tl1elmmO5jM7KyBzylzrtoNllm4899zy&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnEoiDtJ_h5gmWUgGME811wn1J4PVYqhcQLHEsqswEwud5IFH3lvGVKoCxuH4014dReon9y9EG5AahFG9k6N6K6J2vNQ_ccE_UZpxcUNjqlCEUv03ALHiygnWSpkYr2c0TOM-TOPHLKhJxu8GzxluBcPAU9vobgS7Q5VnyCKq9AEK2ToHTaEZAscXr5_TYKN3-tl1elmmO5jM7KyBzylzrtoNllm4899zy&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==)].

The hacker used a search engine called Shodan [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnGdMtKvs2u5cHjzCm\\_6igDa1M79ml-LnVhT\\_uKldZWq-LdYocly8A73h8DMT2C1w\\_W6MaYdjp5-ytSZbEy5I3dEA8ITSmCuUuEAmQ7Yli4Bg=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnGdMtKvs2u5cHjzCm_6igDa1M79ml-LnVhT_uKldZWq-LdYocly8A73h8DMT2C1w_W6MaYdjp5-ytSZbEy5I3dEA8ITSmCuUuEAmQ7Yli4Bg=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==)]

that allows users to search unsecured Internet of Things devices and happened upon the captain's router by chance, whereupon they used the vulnerability to exfiltrate the docs from the captain's computer, including-awkwardly-his certificate of completion for Cyber Awareness Challenge [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnMeRz\\_IljkPSxGTX-kZgcv6OlPfpL\\_3YMP5AJk9Cbl\\_RdzroA9R8hiFEMzBraID5PCFJ6hvClk9RloiuTMklGPanSk-zn-XGIR77ECPbHWCTID28gAc10NX-KU8T9GEvB4odBFu\\_Glys=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnMeRz_IljkPSxGTX-kZgcv6OlPfpL_3YMP5AJk9Cbl_RdzroA9R8hiFEMzBraID5PCFJ6hvClk9RloiuTMklGPanSk-zn-XGIR77ECPbHWCTID28gAc10NX-KU8T9GEvB4odBFu_Glys=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==)]

training. [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnMeRz\\_IljkPSxGTX-kZgcv6OlPfpL\\_3YMP5AJk9Cbl\\_RdzroA9R8hiFEMzBraID5PCFJ6hvClk9RloiuTMklGPanSk-zn-XGIR77ECPbHWCTID28gAc10NX-KU8T9GEvB4odBFu\\_Glys=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnMeRz_IljkPSxGTX-kZgcv6OlPfpL_3YMP5AJk9Cbl_RdzroA9R8hiFEMzBraID5PCFJ6hvClk9RloiuTMklGPanSk-zn-XGIR77ECPbHWCTID28gAc10NX-KU8T9GEvB4odBFu_Glys=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==)]

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"While such course books are not classified materials on their own, in unfriendly hands, they could provide an adversary the ability to assess technical capabilities and weaknesses in one of the most technologically advanced aircrafts," notes Recorded Future's report on the incident. Such materials are covered by trade restrictions. Their distribution is limited to military personnel and contractors.

It's not clear where the hacker acquired the non-drone-related files but they were from a different source within the military, says the report.

The incident is hardly the first-time user error has left military data exposed to hackers. Last year, a Booz Allen Hamilton contractor accidentally left [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnI81pKYjFITI7qKJ8KpM7ATal-23HZrRnH22prWvOxFgVoKVKFQomV4Jh4LSY21U1TYMsZwpJC7-X47soQB31\\_OJTb2UalaWHUmXNV79GsiP-epwJpysnujxxhyR0sD8aw\\_-zvXw-lQWcV0ayD3o2eXklZlzoNn-h9EwpnXlnJSUw1BCoDg4MxNhsFp3ICG8&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnI81pKYjFITI7qKJ8KpM7ATal-23HZrRnH22prWvOxFgVoKVKFQomV4Jh4LSY21U1TYMsZwpJC7-X47soQB31_OJTb2UalaWHUmXNV79GsiP-epwJpysnujxxhyR0sD8aw_-zvXw-lQWcV0ayD3o2eXklZlzoNn-h9EwpnXlnJSUw1BCoDg4MxNhsFp3ICG8&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==)]

a cache of 60,000 sensitive files on a publicly accessible Amazon server.

Recorded Future isn't disclosing the name or origin of the hacker but did say that he was an English speaker. They're currently helping law enforcement with an investigation.



"We cannot provide specific details, but we directly contacted [Defense Security Services], which, to the best of our knowledge, handles this type of information for DoD. We also contacted several other government customers, but cannot go into the details of who that may be," the company told Defense One in an email. Defense One reached out to officials at Creech Air Force Base for comment. A public affairs officer told us that he had not heard about the breach before receiving reporters' calls on Tuesday who referred us late Tuesday to Air Force press operations. We'll update when we hear back from them.

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#### 9. USA Today: "Trump Administration Threatens China with \$200 Billion in Additional Tariffs"

(Source: USA Today [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnp82AGwdpu9opOm\\_2ADDdpOem9oNq88nRtyCxs3HG51ccNpusRAR2V6zUUTvOSsx0JOWmcTXg1cBB6wozOk9bb\\_LPTZJJWfFdcruoF0V0n1HqqvWEvtlTL3GLmE4KcvFU1Gpc9KAZPMk2wX2BDcHD1QbejJKzLFeVxKM-TZEOWCkNGv9u542tN2JJOAwOoKy6FF8CC3SGZbeymXdKW2AgjwBDmRruKCprKzbL8FGpMOIj6xN9Bm7attEycei9QG5&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnp82AGwdpu9opOm_2ADDdpOem9oNq88nRtyCxs3HG51ccNpusRAR2V6zUUTvOSsx0JOWmcTXg1cBB6wozOk9bb_LPTZJJWfFdcruoF0V0n1HqqvWEvtlTL3GLmE4KcvFU1Gpc9KAZPMk2wX2BDcHD1QbejJKzLFeVxKM-TZEOWCkNGv9u542tN2JJOAwOoKy6FF8CC3SGZbeymXdKW2AgjwBDmRruKCprKzbL8FGpMOIj6xN9Bm7attEycei9QG5&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)],

10 July 2018.) [Excerpts.]

President Donald Trump fired another shot in an ongoing trade war with China on Tuesday, as his administration released a list of \$200 billion in Chinese goods subject to 10% tariffs.

"This is an appropriate response under the authority of Section 301 to obtain the

elimination of China's harmful industrial policies," said U.S. Trade Representative Robert Lighthizer, claiming that Chinese trade policies represent a national security threat to the United States.

China, which has denied U.S. accusations of unfair trade policies, has retaliated against previous tariffs with levies on U.S. goods, and can be expected to do so again.

The proposed tariff list that President Trump ordered last month ranges from Chinese air conditioners to leather goods.

The proposed tariffs do not go into effect immediately, but will undergo a two-month review process as officials from both countries negotiate settlements to their trade disputes. ...

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#### 10. Wired: "A Landmark Legal Shift Opens Pandora's Box for DIY Guns"

(Source: Wired [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqn-TygiTKUien9jOaf-fj1kQS0qAkFxpjcl\\_pz2PDhpSDIDXCaaSzsq\\_nANeWu-OstzyTSv46D3k0PGpT1I5Eoes8AtzgAgCpEHRlp23VWCqH-Xaoa3HSplAytX6VvdAA-k8UIIMQ5RYWmi6K7pUXMAK6IZALPjrgSqicOr1ELTjCrMAqLCYCyER2ijGx1P0&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqn-TygiTKUien9jOaf-fj1kQS0qAkFxpjcl_pz2PDhpSDIDXCaaSzsq_nANeWu-OstzyTSv46D3k0PGpT1I5Eoes8AtzgAgCpEHRlp23VWCqH-Xaoa3HSplAytX6VvdAA-k8UIIMQ5RYWmi6K7pUXMAK6IZALPjrgSqicOr1ELTjCrMAqLCYCyER2ijGx1P0&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)],

10 July 2018.) [Excerpts.]

Five years ago, 25-year-old radical libertarian Cody Wilson stood on a remote central Texas gun range and pulled the trigger on the world's first fully 3-D-printed gun

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[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfplrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqnkbBcYWT02G4x8h5DhFbClzI0-  
zFqLOb\_usHnY4BYLSMHSLScoJhzB8d4O8ByC4sroD2Aq\_0cL44hivx4glOhoFarQx9AV44X1DUgSECOy5j2gMOjHXwn\_WnoK  
OOpSATCoo2pkZtIsVJfpDVyMbDNgh4rHiWz\_BsmPXbsNhxKaRno4ddoZfee50U34Zu5Y8-  
c0Y23KxJ6IOt0LqAcGdIJ69GAqqugLRs7BD123h7RuNukl6LcwZYN4J8CuR6v8tAtacMOH1qFaG0iWHI0GxP91Kw==&c=EVm  
Nhjw4cE7A1e5kc\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUDFO3DFSFWx-  
xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

When, to his relief, his plastic invention fired a .380-caliber bullet into a berm of dirt without jamming or exploding in his hands, he drove back to Austin and uploaded the blueprints for the pistol to his website, Defcad.com.

He'd launched the site months earlier along with an anarchist video manifesto

[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfplrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqn2dZQaVjGOP-  
2tfZ8q4m8lpBJdKfaoJbw2AmWVqcnNNi5h\_5FIOvH\_zYAzLnfP6Oha\_Zp2knhZDnzYgTB4ddzF4munIKBIE42zoP5m485uLRih  
izojEaiJNQwxleuVRlyVpJ5mwEPYbGXvUrtSzzek127GNvOGDMiai2INkKBXc=&c=EVmNhjw4cE7A1e5kc\_t-  
YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUDFO3DFSFWx-  
xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==],

declaring that gun control would never be the same in an era when anyone can download

and print their own firearm with a few clicks. In the days after that first test-firing, his gun was downloaded more than 100,000 times. Wilson made the decision to go all

in on the project, dropping out of law school at the University of Texas, as if

to confirm his belief that technology supersedes law [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfplrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqn2b2T2U5EjHT0GXsTNkLtY4yAb0yESQuY2w5Dyy-  
jkEZKHvgdXMIWkxni-4myJ5t5PBKVQTicXJmJxK-IRJj1EcdBq0zY9Jne9W95EMcFvxfW8YdpY07fkgJ0fVZ-ittIHPSakIV-  
W25yV8b2p\_hRnQ==&c=EVmNhjw4cE7A1e5kc\_t-  
YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUDFO3DFSFWx-  
xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

The law caught up. Less than a week later, Wilson received a letter from the US

State Department demanding that he take down his printable-gun blueprints or face

prosecution for violating federal export controls [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-  
xxwmB1TXVMOaWlfplrlUOuX\_S1ybW1AojTkFUCK1iCeUnhke2VYqnSmQCn5hyti873K9L51wJl41mYKVwY2VIMERk-  
HYHuYxJlbmawIMMCfbttC0qs\_jGbhGestmIBP4NTn79IW98UfhGkCJBsch2QAWpzQFmmvI2hC-  
yTfDMtAuvm1srbNw9AwRwEFyCUEdrwV-wgo8FG-  
D8WgzerbFdfI0hUj7zbsE6uflXVEpJehKa2vEgtkGgcXJwMB4CQ3T3YA15MIXN9jzIYxPv\_kKEZFxfJpgj\_I0tU7ltqDq4OT8XAm  
O4iyBaX4kAP9IG7KmLe1ikj0QaKOJ-bSebGfS91yXbN7Yyz35CT-u\_kTmjbg==&c=EVmNhjw4cE7A1e5kc\_t-  
YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUDFO3DFSFWx-  
xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

Under an obscure set of US regulations known as the International Trade in Arms Regulations (ITAR), Wilson was accused of exporting weapons without a license, just as if he'd shipped his plastic gun to Mexico rather than put a digital version of it on the internet. He took Defcad.com offline, but his lawyer warned him that he

still potentially faced millions of dollars in fines and years in prison simply for having made the file available to overseas downloaders for a few days. "I thought my life was over," Wilson says.

Instead, Wilson has spent the last years on an unlikely project for an anarchist: Not simply defying or skirting the law but taking it to court and changing it. In doing so, he has now not only defeated a legal threat to his own highly controversial gunsmithing project. He may have also unlocked a new era of digital DIY gunmaking that further undermines gun control across the United States and the world-another step toward Wilson's imagined future where anyone can make a deadly weapon at home with no government oversight.

Two months ago, the Department of Justice quietly offered Wilson a settlement to



end a lawsuit he and a group of co-plaintiffs have pursued since 2015 against the United States government [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqntPjKPoSUHWwlmMMGIFwbXqi32Wryy1apX9LhiXE8bulhQlwyW98VPiR\\_sfCOV9IZPh6UNbapoqIWD9MeGY28F-XI\\_\\_\\_aznzVYpYzSYk6RdUtE6nXfOF3D27t6KzHg325MC-EatbPWZWwNHeExqDXz\\_Ljh9kkRZ7jtw9M5xkA8HUJGRCS7m3beMakX5xMeXeACjWcaWpScRE=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqntPjKPoSUHWwlmMMGIFwbXqi32Wryy1apX9LhiXE8bulhQlwyW98VPiR_sfCOV9IZPh6UNbapoqIWD9MeGY28F-XI___aznzVYpYzSYk6RdUtE6nXfOF3D27t6KzHg325MC-EatbPWZWwNHeExqDXz_Ljh9kkRZ7jtw9M5xkA8HUJGRCS7m3beMakX5xMeXeACjWcaWpScRE=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)].

Wilson and his team of lawyers focused their legal argument on a free speech claim: They pointed out that by forbidding Wilson from posting his 3-D-printable data, the State Department was not only violating his right to bear arms but his right to freely share information. By blurring the line between a gun and a digital file, Wilson had also successfully blurred the lines between the Second Amendment and the First.

"If code is speech, the constitutional contradictions are evident," Wilson explained to WIRED when he first launched the lawsuit in 2015. "So what if this code is a gun?"

The Department of Justice's surprising settlement, confirmed in court documents earlier this month, essentially surrenders to that argument. It promises to change the export control rules surrounding any firearm below .50 caliber-with a few exceptions like fully automatic weapons and rare gun designs that use caseless ammunition-and move their regulation to the Commerce Department, which won't try to police technical data about the guns posted on the public internet. ...

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## COMMENTARY

### 11. B. Mulier, S.M. Werner & S. Du: "Will China's Upcoming Export Controls Impact Your Business?" (Part II of II)

(Source: Bird & Bird [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCXvXH5aWGoA7Ac8GVwp1EBUa\\_Wlmq\\_TFBBE0Rpmok-Yz8byukypLfptXpq8ujwuOuJUKBD-piWYZJemImKD7imdR9U8aKjrYGI4wreJp6T9tyD3dol8v570ksLGckxK-dJl28WA4l26Pi6m16W-Maoi1lqn5pFGMGz0\\_04cr0wBtlw0zPDYxjYBnscE9sCeKF1DbnjzxKpm4Hh57y9MsNZniV\\_axQCiq9stWnwr-99Gh3AQnLlndcw=&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCXvXH5aWGoA7Ac8GVwp1EBUa_Wlmq_TFBBE0Rpmok-Yz8byukypLfptXpq8ujwuOuJUKBD-piWYZJemImKD7imdR9U8aKjrYGI4wreJp6T9tyD3dol8v570ksLGckxK-dJl28WA4l26Pi6m16W-Maoi1lqn5pFGMGz0_04cr0wBtlw0zPDYxjYBnscE9sCeKF1DbnjzxKpm4Hh57y9MsNZniV_axQCiq9stWnwr-99Gh3AQnLlndcw=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)], 9 Jul 2018.)

\* Authors: Brian Mulier, Esq., [brian.mulier@twobirds.com](mailto:brian.mulier@twobirds.com) [<mailto:brian.mulier@twobirds.com>]; Sven-Michael Werner, Esq., [svenmichael.werner@twobirds.com](mailto:svenmichael.werner@twobirds.com) [<mailto:svenmichael.werner@twobirds.com>]; and Serena Du, Esq., s [<mailto:serena.du@twobirds.com>] [serena.du@twobirds.com](mailto:serena.du@twobirds.com) [<mailto:serena.du@twobirds.com>]. All of Bird & Bird, Europe and China, respectively.

[Editor's Note: Part I of this article was published in yesterday's Daily Bugle.]

...

#### (4) Who is to comply?

As depicted above, the draft ECL has an extraterritorial character having authority and effect and beyond the normal territorial boundaries of China. The ECL applies and impacts any individual or business in- or outside China dealing with Chinese controlled items. [FN/3]

If the current version of the ECL is adopted, the ECL will apply also to agencies,

freight forwarders, customs brokers, third-party electronic trading platform (e-commerce) providers and financial service providers.

(5) What are the penalties?

Any violations of the ECL could result in a warning or a penalty up to 10 times the illegal business revenue. Usually a fine up to RMB 500,000 could be imposed if the illegal business revenue is less than RMB 50,000. In addition, any illegal income would be confiscated.

Several non-financial penalties can also be imposed on businesses, including suspension or revocation of export licenses as well as being blacklisted in China's social credit system.

For individuals, the personal liability for those directly responsible for breaching the ECL could include fines up to RMB 300,000.

And last but not least, criminal charges may also be brought in case of any serious violations.

(6) Will the ECL impact business in- and outside China?

If the current version of the ECL is adopted, the earlier stipulated export control elements having extraterritorial reach will have significant impact for businesses - active in China as well as outside China - dealing with Chinese controlled items. The importance and impact of the ECL will also increase as the goals of the "Made in China 2025" initiative come within reach for China.

Moreover, in the light of the recent trade discussions and measures between the United States and China, ECL's incorporated elements dealing with "competitiveness of trade and industry", "international market supply" and "equal principle"- which are open for interpretation - could also add additional layers to uncertainty in the international trade arena of controlled items.

In summary, businesses should gain awareness and understand the potential changes the draft ECL (if adopted in its current form) is to bring along to their operations in view of being adequately and timely prepared to i) ensure compliance with the China's upcoming new export control framework and ii) secure continuance of their business operations and activities in China as well as outside China.

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[FN/3] On a comparative note, the case of Chinese company ZTE shows the possible consequences (high fines and export ban) of non- compliance with extraterritorial re-export controls following United States export control legislation. See for example:

here [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCf8s1fVCYS05KjOVEEeBatBBh1FX3gmzr-8zwWrshrcDMY6roF3sas-MYv2n1dY4A2ZBqCHJRSrbwDW3zgXNkzcFsCaUmyyuweWWZ5SwroFegN-zH8c6HfnHGKU5w6WtUa3gCN3uFwl\\_uWDgAiUA7Rpx0ygQssnhkqTFv-Hb4UMtrOvxveVeFjzjp3swj7Gm0UOZlzp2NKnkaNyFYSRuK9uaMeGsGuEJoOChjEa2xFGIdm4tYSxg130Tj1liFuloxog==&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCf8s1fVCYS05KjOVEEeBatBBh1FX3gmzr-8zwWrshrcDMY6roF3sas-MYv2n1dY4A2ZBqCHJRSrbwDW3zgXNkzcFsCaUmyyuweWWZ5SwroFegN-zH8c6HfnHGKU5w6WtUa3gCN3uFwl_uWDgAiUA7Rpx0ygQssnhkqTFv-Hb4UMtrOvxveVeFjzjp3swj7Gm0UOZlzp2NKnkaNyFYSRuK9uaMeGsGuEJoOChjEa2xFGIdm4tYSxg130Tj1liFuloxog==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==)]

(last accessed: 5 May 2018).

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12. L. Feldman: "The Art of the Trade Deal - Top Five Strategies to Avoid or Reduce Section 232 and 301 Duty Increases"

(Source: Sandler, Travis & Rosenberg Trade Report [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX\\_S1ybW1AojTkFUCK1iCeUnhke2VYqnSPD-YtifNYy56GQ9ZGxjogUb5y2tPOCi0AUAieDI6ZJt3ecHcdQwH\\_5PlxHW0RIAzYLLlxLMytB8GbzonGXzgp9NgEtEM5ZnwZGGsGaF8LMp6dly80vKbX9G7A5tK6hTrXKMH0YvH80JrWM3i2\\_fTNAzr1L3LoArhdPKWb8wGoB1OAJLboJzRdBOKJBtAFTMddj](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCeUnhke2VYqnSPD-YtifNYy56GQ9ZGxjogUb5y2tPOCi0AUAieDI6ZJt3ecHcdQwH_5PlxHW0RIAzYLLlxLMytB8GbzonGXzgp9NgEtEM5ZnwZGGsGaF8LMp6dly80vKbX9G7A5tK6hTrXKMH0YvH80JrWM3i2_fTNAzr1L3LoArhdPKWb8wGoB1OAJLboJzRdBOKJBtAFTMddj)]

sGaF8LMp6dly80vKbX9G7A5tK6hTrXKMH0YvH80JrWM3i2\_fTNAzr1L3LoArhdPKWb8wGoB1OAJLboJzRdBOKJBtAFTMddj

VVenZ4=&c=EVmNhjw4cE7A1e5kc\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==],

11 July 2018.)

\* Author: Lenny Feldman, Esq., Sandler, Travis & Rosenberg, P.A, lfeldman@strtrade.com [mailto:lfeldman@strtrade.com], +1 305-894-1011.

U.S. importers, exporters, and manufacturers are looking for ways to mitigate the impact of the 10 to 25 percent additional tariffs the U.S. has levied on tens of billions of dollars' worth of imported goods, including steel and aluminum from all global sources and hundreds of products from China, as well as the retaliatory tariffs U.S. trading partners have begun to impose on U.S. exports. There are a number of proven and legitimate ways to avoid or reduce these duties that have been used for many years with great success. This article highlights five duty-busting strategies that companies can use in structuring their own trade deals.

**Exclusion Requests.** Both the Department of Commerce (for aluminum and steel) and the Office of the U.S. Trade Representative (for China goods) have set forth processes to request that specific products be excluded from the tariffs. These processes offer companies or trade associations an opportunity to explain how and why such imported goods are critical to the U.S. economy and could not be sourced elsewhere. As the DOC has been slow to respond to the thousands of submitted requests and has outright rejected any claims that do not adhere to the specific criteria, we remain cautiously optimistic about the speed and manner with which USTR will review the China-related exclusion requests. Nevertheless, as this process may allow for an outright exclusion from the duties on a per product and per company basis, it is worth serious consideration.

**Tariff Engineering.** As much as U.S. Customs and Border Protection has resisted it in the past, the courts have affirmed for years that CBP can only levy tariffs on the condition of goods as imported. This has led importers in a variety of industries where high duties prevail to import products in unfinished or embellished forms to legally take advantage of classification provisions carrying a lower or free rate of duty. For instance, turbine generators are typically imported into the U.S. as large unassembled structures consisting of the turbine and generating components and as such will now likely fall prey to an additional 25 percent tariff. However, if the components are imported separately they would fall into an entirely different tariff provision that is currently excluded from that tariff increase.

**Operational Engineering.** If you cannot modify the tariff provision for the imported product, consider changing its country of origin. For instance, CBP has found that the assembly of numerous parts to create various modules, and the assembly of these modules to produce aircraft engines, result in a substantial transformation of the parts so that their country of origin would be the country where the engine was produced. So, in the case of the China tariffs, and in some cases the aluminum and steel tariffs, shifting operations away from one country to another may enable your company to escape the duty increase. These concepts are particularly useful for certain U.S. or other products that fall within the special HTSUS Chapter 98 provisions, many of which are wholly or partially exempt from the additional tariffs.

**Valuation.** A strategy that has proven useful to the apparel and footwear industries, which have been subject to high duties for years, involves first sale valuation.

Here importers only pay duty on the price that a trading company pays the manufacturer instead of the higher price the importer pays the trading company. While the additional tariffs would still apply in this scenario the dutiable value is significantly lower, resulting in a lower duty bill.

Various criteria must be met to ensure the first sale price reflects a sale that is clearly destined to the U.S. and conducted at arm's length, but, once validated,

a viable first sale value can provide substantial duty savings. It can also serve as a type of long-term annuity; i.e., even once the additional tariffs expire, use of first sale valuation would continue to provide a lower declared value and thus reduce the regular duties assessed on a company's products.

Bonded Facilities. For those companies involved in manufacturing as well as import for export trade, bonded facilities can provide a safe haven from the additional tariffs. Goods admitted to a foreign-trade zone in privileged foreign status will retain their character and tariff classification as admitted even if they are manufactured into a product affected by the additional tariffs that may be withdrawn from the zone and entered for U.S. consumption. In addition, goods otherwise subject to the additional tariffs could be entered and stored in a bonded warehouse for up to five years to avoid those duties if they are (a) exported directly from the warehouse or (b) entered for U.S. consumption once the additional tariffs have lapsed or a product-specific exclusion has been granted.

When assessing particular duty savings models, importers, exporters, and manufacturers need to consider the art of crafting their own trade deals to effectively escape or limit the impact of the section 232 and 301 tariffs. A bit of flexibility and ingenuity can have a profound impact on a company's bottom line when facing substantial duty exposure.

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### 13. M. Volkov: "Lessons Learned from Credit Suisse Corrupt Hiring Scheme and FCPA Settlement (Part II of II)"

(Source: Volkov Law Group Blog [

\* Author: Michael Volkov, Esq., Volkov Law Group, [mvolkov@volkovlaw.com](mailto:mvolkov@volkovlaw.com) [mailto:[mvolkov@volkovlaw.com](mailto:mvolkov@volkovlaw.com)], 240-505-1992.

[Editor's Note: Part I of this article was published in yesterday's Daily Bugle.]

Credit Suisse has joined the ranks of other banks and companies that have settled FCPA violations involving hiring of government officials' relatives in exchange for business benefits, including JPMorgan Chase; BNY Mellon, and Qualcomm. There are several banks still under investigation for such practices, including Citigroup, Barclays, Deutsche Bank, HSBC and Goldman Sachs.

The hiring program enforcement actions demonstrate the Justice Department's and SEC's broad application of the term "anything of value" in the FCPA to benefits afforded to sons, daughters and relatives of government officials.

After reading the respective statement of facts in the DOJ and SEC settlements, you have to scratch your head over the brazen nature of Credit Suisse's conduct.

This is not a very close call as to illegal conduct, notwithstanding the debate surrounding the application of the bribery prohibition to benefits that flow directly to sons, daughters and relatives, and indirect benefit to foreign officials (parents and relatives).

Hiring and Employment Risks: The agreed upon facts demonstrate the real and tangible risks that a hiring program can quickly turn into a vehicle to make substantial

payments to otherwise unqualified employees on a continuing basis in order to ensure the award of multiple contracts and/or secure required regulatory officials from government officials. Credit Suisse was able to deftly and illegally leverage its relationships with hired relatives to gain valuable contracts from government officials through a variety of techniques beyond just hiring the sons, daughters and relatives. Indeed, Credit Suisse provide these unqualified employees with promotions, bonuses keyed to specific contracts controlled or influenced by the related family member in the government, and other benefits as a way to secure continuing benefits. Think of this as a continuing bribery scheme keyed to leveraging a specific relationship for Credit Suisse's benefit.

Beyond a real teaching moment as to corruption risks from such hiring practices, the Credit Suisse enforcement action reveals a number of important lessons learned: Policy Statements and No Controls: Both the DOJ and SEC noted that Credit Suisse maintained a strong policy statement against hiring practices and referrals of relatives of foreign officials. Notwithstanding such a broad policy prohibition, Credit Suisse failed to implement appropriate controls to implement such a policy. It is easy to make a broad statement but always more difficult to build a system of controls that effectively protect against such conduct.

Hiring Procedures and Controls: In designing appropriate hiring practices to protect against corruption risks, the DOJ and SEC settlements noted certain practices, including:

- (a) documentation of justification for a hiring decision confirming that hiring was made in accordance with hiring policies and procedures;
- (b) conducting full background checks to confirm absence of any direct or indirect connection to a foreign official who might be involved in or able to influence potential business opportunities or regulatory approvals;
- (c) ensure proper oversight by human resource, legal and compliance staff of hiring activities to ensure that hiring decisions, promotions, bonuses or other benefits are appropriately awarded and tied to objective performance criteria; and
- (d) conduct annual reviews of hiring practices to ensure compliance with procedures and documentation requirements. As part of review, select sample of employees and ensure that there is no connection to foreign officials or, if there is such a connection, that appropriate controls and mitigation measures were implemented to minimize such risks.

Remediation and Discipline: Credit Suisse did not earn full remediation credit because it failed to impose adequate disciplinary measures against managers and employees related to the corrupt hiring program. Such a failure to impose appropriate discipline cost Credit Suisse between 5 to 10 percent credit from the 15 percent credit awarded. It is hard to justify incurring such additional costs to avoid imposing sufficient disciplinary measures against Credit Suisse Hong Kong employees. Whatever you may think about such a tradeoff, Credit Suisse's notification of policy infractions against three employees certainly does not send a very strong message about the seriousness of such conduct. Credit Suisse's weak disciplinary response to the violations suggests a failure to commit to the culture and consequences needed to promote its positive culture of compliance.

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14. T. Murphy: "Section 301 -- US Imposes Duties on \$200 Billion Worth of Chinese Imports"

(Source: Author, 10 July 2018.)

\* Author: Ted Murphy, Ted Murphy, Esq., Baker & McKenzie LLP, ted.murphy@bakermckenzie.com



[mailto:ted.murphy@bakermckenzie.com], +1 202 452 7000.

The Trump Administration announced on 10 July 2018 that the U.S. is beginning the process to impose an additional 10% duty on a further \$200 billion worth of Chinese imports.

As you may recall, when the Administration announced its intent to impose duties on \$50 billion worth of Chinese imports, the Chinese government announced an intent to retaliate on a comparable value of U.S. imports. At that time, President Trump announced that if China retaliated on U.S. imports, the United States would impose an additional duty on a further \$200 billion worth of Chinese imports (see our June 19th update).

The U.S. imposed an additional 25% duty on a first round of products worth \$34 billion on July 6th and China imposed an additional 25% duty on a first round of products also worth \$34 billion that same day. Both countries are also considering imposing additional duty on an additional \$16 billion worth of merchandise.

In response to China's retaliation, the U.S. Trade Representative issued a press release and advance copy of a Federal Register notice this afternoon. The notice states that the U.S. is considering imposing an additional 10% duty on \$200 billion worth of Chinese imports. Before doing so, the USTR will accept public comments and testimony at a hearing. The notice includes the schedule, as well as the list of the 6,031 tariff subheadings covered by the \$200 billion. In coming up with the list of covered HTS provisions, the notice provides as follows:

"In developing the list of tariff subheadings included in this proposed supplemental action, trade analysts considered products from across all sectors of the Chinese economy. The tariff subheadings considered by the analysts included subheadings that commenters suggested for inclusion in response to the April 6 notice. The selection process took account of likely impacts on U.S. consumers, and involved the removal of subheadings identified by analysts as likely to cause disruptions to the U.S. economy, as well as tariff lines subject to legal or administrative constraints."

It is clear that the U.S.-China trade war is real and that the Trump Administration is willing to accept meaningful U.S. casualties (i.e., harm to U.S. businesses with interests in China). It is also clear that the range of imports impacted by the duties is growing (by necessity).

All companies that import articles from China should be developing short, medium, and long-term plans for coping with this trade war. We are assisting numerous clients with this and would be happy to discuss options with you further.

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#### EX/IM TRAINING EVENTS & CONFERENCES

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15. Full Circle Compliance Presents "Awareness Course U.S. Export Controls: ITAR & EAR From a Non-U.S. Perspective ", 2 Oct in Bruchem, the Netherlands
(Source: Full Circle Compliance, events@fullcirclecompliance.eu [mailto:events@fullcirclecompliance.eu].)
Our next academy course is designed for beginning compliance officers and professionals who want to enhance their knowledge on the latest ITAR/EAR requirements and best practices. The course will cover multiple topics regarding U.S. export controls that apply to organisations outside the U.S., such as: the regulatory framework, including the latest and anticipated regulatory amendments, key concepts and definitions, classification and licensing requirements, handling (potential) non-compliance issues,

and practice tips to ensure compliance with the ITAR and EAR.

* What: Awareness Course U.S. Export Controls: ITAR & EAR From a Non-U.S. Perspective

* When: Tuesday, 2 Oct 2018, 9 AM - 5 PM (CEST)

* Where: Landgoed Groenhoven, Bruchem, the Netherlands

* Sponsor: Full Circle Compliance [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCZN0YASVVyEa8wNh0AeJJ97ZnBxRb8oRq5H1cG82x7toFNgCcE8mM

cggphwwavOZ3AAsk7oddsZc7N6KBH-0mqBd94xNpWFP_-

P5oU1AvZ6ndKxAqARsGVRrXeYMsN9fLw==&c=EVmNhjw4cE7A1e5kc_t-

YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-

xr3HCM2l1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]

(FCC)

* Instructors: Ghislaine Gillessen, Mike Farrell, and Alexander P. Bosch

* Information & Registration: HERE [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCYE7YzSaRoXejHYqqV_TjJgj4BFMvMvzbxdU50NdPo0wp98UhmtWUilBpd--Xo08Z0uWhxrCc4Fxc3l-22CazB2Cr78ppPhg1FnD-lMEQZwnfBemfiDYS-enLgDpL1laCHS9vXr6-4uLP8mGGq-cdtTp5MSyFL6q5XhX1ICWkY0K9Gmwx9sQ0ziHsa994TB0H2uZbb53XWILEhrDjNqTBYnhdaGb_xdyMDE8WL-itnTutd5d-VvVwLtQ2NZ2mbYFqXUSPBUS-W1q-tnUXEGwNPP0PdyefS4CQ==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==

or via events@fullcirclecompliance.eu [<mailto:events@fullcirclecompliance.eu>]

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EDITOR'S NOTES

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### 16. Bartlett's Unfamiliar Quotations

(Source: Editor)

\* E. B. White (Elwyn Brooks White; 11 July 1899 - 1 Oct 1985; was an American writer, who for more than fifty years was a contributor to The New Yorker magazine. He was also a co-author of the English language style guide, Strunk & White's Elements of Style. In addition, he wrote books for children, including Stuart Little (c. 1945), Charlotte's Web (c. 1952), and The Trumpet of the Swan (c. 1970). In a 2012 survey of School Library Journal readers, Charlotte's Web was voted the top children's novel.)

- "There is nothing more likely to start disagreement among people or countries than an agreement."

\* John Quincy Adams (11 Jul 1767 - 23 Feb 1848; was an American statesman who served as the sixth President of the United States from 1825 to 1829 at the peak of a political career during which he served in various capacities as diplomat, United States Senator, United States Secretary of State, and U.S. Representative from Massachusetts. He was the eldest son of second president John Adams (served 1797-1801) and his wife, Abigail Adams.)

- "Always vote for principle, though you may vote alone, and you may cherish the sweetest reflection that your vote is never lost."

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17. Are Your Copies of Regulations Up to Date?

(Source: Editor)

The official versions of the following regulations are published annually in the U.S. Code of Federal Regulations (C.F.R.), but are updated as amended in the Federal Register. The latest amendments to applicable regulations are listed below.

* ATF ARMS IMPORT REGULATIONS [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCVobCHh3fUpZ39N5z5_0pDU3U4v3B4bM3OBbDUyvQb57fbDlwxNnnJy3ederix93dYxSfqlNlg6vCRQ1hL_5xuqaEJVhiRutSfU_7gEBHyMAfWr1pn0ePLqAmuJK7k9PNXjIHhCUC7kKJDp8ah59oPy2re5N0xzw6bWu2m_xE126d7eQO6AAHz-inRi8r6hEwGZF0oTvcEe7yj4cftHEamjBwbjJM_UlLtbYnHAKLbu3SIIUuka90DrIBkUPuvM1kWaA5Mxk2KcXUfolroj8a7jXWvKSlxsbnq==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

27 CFR Part 447-Importation of Arms, Ammunition, and Implements of War

- Last Amendment: 15 Jan 2016: 81 FR 2657-2723 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCdwe9ERelCqYajK9ygJMCObwa4sZH3QNIKd9ohgE-SllelvFd7Kns60IT0juSFLiKja994i0_PwdyInO0i97P3MQsdMVk4ttWE8m8EsCvvOhLN0jOrW3p2nhQTKpxpDIWcMK6tBKzxDvVW7dNCAYGM84Ttmr-LLeSDtB8KvaYxVGJxStn16g_0c=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

Machineguns, Destructive Devices and Certain Other Firearms; Background Checks for Responsible Persons of a Trust or Legal Entity With Respect To Making or Transferring a Firearm.

* CUSTOMS REGULATIONS [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCVobCHh3fUpZ39N5z5_0pDU3U4v3B4bM3OBbDUyvQb57fbDlwxNnnJy3ederix93dYxSfqlNlg6vCRQ1hL_5xuqaEJVhiRutSfU_7gEBHyMAfWr1pn0ePLqAmuJK7k9PNXjIHhCUC7kKJDp8ah59oPy2re5N0xzw6bWu2m_xE126d7eQO6AAHz-inRi8r6hEwGZF0oTvcEe7yj4cftHEamjBwbjJM_UlLtbYnHAKLbu3SIIUuka90DrIBkUPuvM1kWaA5Mxk2KcXUfolroj8a7jXWvKSlxsbnq==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

19 CFR, Ch. 1, Pts. 0-199

- Last Amendment: 12 Jun 2018: 83 FR 27380-27407 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCubAlX55By1xH-QZ5z2IKyCEqRVnWrs5d4WSwdF7O797Z9KP6Pzgs29Yw_MGiFyqSc0d1644FPCgwUZtWDquCzw2Ate3o4AEy_IKYxEZg6yJCvWIK3Tfr84EGxbFdZMhXFD9-vnRRWoxbSjKI8LNzvAOPn5ltbFxb2v5eNPF6fc3s-_R9fTisoE=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

Air Cargo Advance Screening (ACAS)

* DOD NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL (NISPOM) [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCZo72_bkjmNIhN74vfromN6e9MewbtIX16qNwZ_C2iGgMQoz3xk0lQmHANEZZjGNutoobJD-1Un5MW9QcLkZtrcbgO594jkbSglWYKP2uoKwm3mOKnqGmjo9z8ycRu1LalfWZTiKLKJChFojyonjGffMJl4o7KsZWTg==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

DoD 5220.22-M

- Last Amendment: 18 May 2016: Change 2 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCZo72_bkjmNIhN74vfromN6e9MewbtIX16qNwZ_C2iGgMQoz3xk0lQmHANEZZjGNutoobJD-1Un5MW9QcLkZtrcbgO594jkbSglWYKP2uoKwm3mOKnqGmjo9z8ycRu1LalfWZTiKLKJChFojyonjGffMJl4o7KsZWTg==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

Implement an insider threat program; reporting requirements for Cleared Defense

Contractors; alignment with Federal standards for classified information systems;
 incorporated and cancelled Supp. 1 to the NISPOM (Summary here [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCf5Y01zuh_OYMM0IHvQVobeNa_OOjXEnK4EfJtw57xEDt_IrGH7kqk
 Vk58Q39eps_f6VEwC3JCV4ug8MCHQyFYhAdt8onIYwTJ6_EBRX9zaKCxUP_jTv1Tvi8C4NPRE5he5AwLZWFX78c1PPIpp95ho
 6tmF9-81Oz2-Tvltl3js&c=EVmNhjw4cE7A1e5kc_t-
 YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==].)

* EXPORT ADMINISTRATION REGULATIONS (EAR) [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCf5Y01zuh_OY6308fLR5x_xCR_OpsXSDmQUURAgCflne1Wxlmz9RY5b
 MHrUyZq3V8cAQ13_TATi-GBEwDsjN0bMHglSxqN0fZCPhWlo3_vEjMw78yyR3LXq-NjJ7tHQinN2Tc-
 exBbrVSX7N23c9E_FMPp5TPARAOgujNltf3kSl8HYq5g2BERdut8-
 8q_XLs6b_nE0HrBnNPRbWayovliyuXwhnf65Df4Ci4sCZoMjiCypwiusZnlYXmYwbE3Lf7MDq_Bnv3xYrD6qg6QS30Aw=&c=E
 VmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

15 CFR Subtit. B, Ch. VII, Pts. 730-774

- Last Amendment: 6 June 2018: 83 FR 26204-26205 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCWCwaT4-RBCsBvVdQjgL66S580nanFMwbJM8-GYoitq-2Bny7M2-
 vZk2zFS1qyMfEfGHZR-BQvf0Fey0UYTERyhoYWybFSzXLI3lJG_96-
 nyErdvCyv2g95v_Sz23JhYXLD6PuSRTbeqgp6DOs4a0FEHMSy6l4znp_y0ljfitdkkc5dgzwGXQhl=&c=EVmNhjw4cE7A1e5kc_t
 -YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

Unverified List (UVL); Correction

* FOREIGN ASSETS CONTROL REGULATIONS (OFAC FACR) [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCvobCHh3fUpZZ3tpRa7okmAZUatKgk5dNZ5K7qSfPkULswyWDeZyn
 EvcpZ6kBtkoUSvH0BjrOAJtgMmYXbbOugaC_aoZkfiGr-OP-GrSNym2Z553B1PbpiKzlvU-QD_emFLMwtsDktHRsHoM-
 ZI7xV7URd_O8rIDS6MHfRJsieRcof2A5OpE_zEo5PmtAzC1pN5krKIOsWxNowzvsCzgObxnwb5NzY36g3BvwUI3qDs1_YmC
 KueH4w2p6D-H3T1Q5kZJrx7EOO&c=EVmNhjw4cE7A1e5kc_t-
 YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

31 CFR, Parts 500-599, Embargoes, Sanctions, Executive Orders

- Last Amendment: 29 June 2018: 83 FR 30541-30548 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCdTs9qOBpcRSxWinsV3DmVGMiKyBe529ndS9iatdCZp1E592lvzIP7G
 ZQKDt8QvDv5aq3hjLfzz6tBn-w9-a-kz72MRitfB2FNAPhQkf92cVdRFAKACby19YPOVMQwSr9eACXcnzLmxCLL8Kc-
 5fHUfLBaJ5foutAusgF7FZd8gnsmdDh6luo=&c=EVmNhjw4cE7A1e5kc_t-
 YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

Global Magnitsky Sanctions Regulations; and 83 FR 30539-30541 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCdTs9qOBpcRwBg-y5ZTSa5sZN0ulQSub_rED9h4pIX_E5OxDeDv-
 ZyaWpMFyrApAr7Eu_8Yd5m7eXL_rZyE9eOZuhM_FiqedwwAsqmro84YjVXyLxs2JsF28PPMSfvstTOiqau_R7oD1TNCmEiul
 HU40uq0LLjwn8EWhL0jvOZBOHbyLKIES2Q=&c=EVmNhjw4cE7A1e5kc_t-
 YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

Removal of the Sudanese Sanctions Regulations and Amendment of the Terrorism List

Government Sanctions Regulations

* FOREIGN TRADE REGULATIONS (FTR) [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-
 xxwmB1TXVMOaWlfplrlUOuX_S1ybW1AojTkFUCK1iCvobCHh3fUpZJWmqZUXJ1CwKytLPuQyDJJbxC6pQMU8Vcj2yMw7Ti
 -u6sFIUjN36EcJl4JuR4qcLh5zMI8Xjo_RxCizUh2QlCd7MkU3UHHw-8rLtDvkz1OJQ2bK9HIV6v5YPNACyETDkLPB--BTuU-
 N3mT5OTY_PiDD6kAwHYZlygptE4dBHOtE-8xr5JkgUJWiSGm8gFknkoH744DC4BLznEOCqAQ3erFa_FohZ-
 LQKMHLYS_9pHu165l_j_w7Yz2GBVAEgl5ksdUJstVPrMc=&c=EVmNhjw4cE7A1e5kc_t-
 YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-
 xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

15 CFR Part 30

- Last Amendment: 24 Apr 2018: 3 FR 17749-17751 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlflprlUOuX_S1ybW1AojTkFUCK1iCUGs8BZpzTaUQEJzCuzAybUoGXGsnPDVx9JPxRaxy-3h78glzVEWrKln3oXyrTzpcTygBWllhperYmVbdw07CC78-kyBpDENCJ1jSv0-YRzpENNfibvtyLu-CB-xlOODLhJIBEHufnqGY4oHM6l6G41BygBHfTuXzbDorJGO7IUojx_IzGR-7U=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==]:

Foreign Trade Regulations (FTR): Clarification on the Collection and Confidentiality of Kimberley Process Certificates

- HTS codes that are not valid for AES are available here [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlflprlUOuX_S1ybW1AojTkFUCK1iCtWdb-ii8cY-hrYKTeG6zGKnSNpLKgQiEv8cycGHwzsym6U9wVdB4oGMdoA3RBtEYOS1hTnKCXVcZUhcUUWDOgQBISYeq-2_pGq2hIPj-2b9g6-FjZrV-XwxQ4DRIGGQwXRv4jLJradr0Ef22NlumwNYJpriDFT_H5Oim0obbUhIKc29MwDF5wB_G6jM33wWPHpyJjZ95BIO&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==].

- The latest edition (30 Apr 2018) of Bartlett's Annotated FTR ("BAFTR"), by James E. Bartlett III, is available for downloading in Word format. The BAFTR contains all FTR amendments, FTR Letters and Notices, a large Index, and approximately 250 footnotes containing case annotations, practice tips, Census/AES guidance, and explanations of the numerous errors contained in the official text. Subscribers receive revised copies in Microsoft Word every time the FTR is amended. The BAFTR is available by annual subscription from the Full Circle Compliance website [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlflprlUOuX_S1ybW1AojTkFUCK1iCdGRym-o2hT4N_1iaTTeU7ogjMhcX_1E-0x8XpUoHayjbfLSSlf0p-ABw3GuHh2BT2Tm8Rt9xQ9iTA8NXoaFgu4iGKdZNFuoBE42gjGngEIULPmP2IVLgAtU9_gWiiF4LzL-isFJN&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==].

BITAR subscribers are entitled to a 25% discount on subscriptions to the BAFTR.

Government employees (including military) and employees of universities are eligible for a 50% discount on both publications at www.FullCircleCompliance.eu [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlflprlUOuX_S1ybW1AojTkFUCK1iCYxpOaauDzm7-A8wmkwtQi-ruOF_73g7bDktwrNdKkbDlwYphd-C72SeFzizHu-R71qzYKUZURSa5kyTLsQmRRvga9sJo1KYpqPCfq1JfXIUoXWym-omboCPONFtpj4pQA==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==].

* HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTS, HTSA or HTSUSA)

[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlflprlUOuX_S1ybW1AojTkFUCK1iCX0mVsuFYv8qLUueLg6H1UO70stHHa18sKzDaEzEM0RWjfeCDmEldRPPgGClpKTN19UoilYC5tqDJ81yAynYtSfTAu31jQj1R5CPNq8akDWtO_sCdGDdvUesVwapcnDiMRw==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==],

1 Jan 2018: 19 USC 1202 Annex. ("HTS" and "HTSA" are often seen as abbreviations for the Harmonized Tariff Schedule of the United States Annotated, shortened versions of "HTSUSA".)

- Last Amendment: 8 Jun 2018: Harmonized System Update 1809 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlflprlUOuX_S1ybW1AojTkFUCK1iCVJwBSy76Uobk0OqMVKsyteLRAJRaZErvmqqzr6wxflH9y8Y-JhYBLWGBmc7XWGHt6Vd0I2fOxk0JbK7JWacPPSNcHqMunEEPWRiHDDoqJJS1maP6J_jtVbUc90qLeODkt82eBa_xOLG-87HPqbH4dqGP4xYwdxf-Sf8ulHGAc6xZsXrhqLNF8pn_3hxPelvqEaMX042WPWDq0t1ztHu8LWMw1_1zn1gxqDiN-0GtCsAQ08ndOcT6tKJKK_BMyaAxuW8lpNlJn8Y&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2l1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==], containing 901 ABI records and 192 harmonized tariff records.

- HTS codes for AES are available here [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCdnShBJhO8n5VYUCoHJNNg0tI4hdKxL2hOh2vLUmi02O7SU9QNe3APswYW058nvYIBVIYQdyoRcFA4QgHp9GzdEzdFvvJloA_wR_m2Ye3CaX8uum-6k3fWY0XyWWJvqNm_rL5NmoFB5dRkvJrS6RiNJQohdDCVbi6fDbvSPm-4aE9LGo6ZLw3Cbnlj_PTOFVGmx2MrraHzXI&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

- HTS codes that are not valid for AES are available here [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCTwdb-ii8cY-hrYKTeG6zGKnSnPlKgQiEv8cycGHwzsym6U9wVdB4oGMdoA3RBtEYOS1hTnKCXVcZUhcUUWDOgQBISYeq-2_pGq2hIPj-2b9g6-FjZrV-XwxQ4DRIGGQwXRv4jLJradr0Ef22NlumwNYJpriDFT_H5Oim0obbUhIKc29MwDF5wB_G6jM33wWPHpyJjZ95BIO&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

* INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCvobCHh3fUpZXmAA1TF0P4NXBUPVyB7VxkSzcHh4MRDfftZUNspZ5Qm5F3_otYQg9FSg_CpXGKLe9kRUCsf-21k6nqtUcd6xRgG1dMxsn9bmoLMTJnNBbt0fW_6g6Yd1cK-d9EF25yJ3pQAIxXpPjUKsfy-coqyJm3bflP2DSGLTqvOaFiHP0I1QMLRB788ybP98m6KH-gp9BlrAw8O5jwixau8E0x2sMC37uX8fkI13u9cLwbqZmSaAfD1YCaq5I4UYTvK-ZULi&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

22 C.F.R. Ch. I, Subch. M, Pts. 120-130.

- Last Amendment: 14 Feb 2018: 83 FR 6457-6458 [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCRa14_mleyMDrcHPdE7WRoZW-0kzBAWd9HVC1qi-FFEBqL2MUcs33BD3ewHm9IPDW864gzgbGlyVgVqPyj7yHLbLFlvs6D0Ns2wcKcRYLg2ETramzw5vDVO9R07jZj0XQZkgM7hp dFitbOVwK6kBCcH3IOhQX31GVXZaCRbGO194LfiNJlANvTU=&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==]:

Amendment to the International Traffic in Arms Regulations: Addition of South Sudan
[Amends ITAR Part 126.]

- The only available fully updated copy (latest edition: 25 Apr 2018) of the ITAR with all amendments is contained in Bartlett's Annotated ITAR ("BITAR"), by James E. Bartlett III. The BITAR contains all ITAR amendments to date, plus a large Index, over 800 footnotes containing amendment histories, case annotations, practice tips, DDTC guidance, and explanations of errors in the official ITAR text. Subscribers receive updated copies of the BITAR in Word by email, usually revised within 24 hours after every ITAR amendment. The BITAR is available by annual subscription from the Full Circle Compliance website [http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCZN0YASVvyEa8wNh0AeJJ97ZnBxB8oRq5H1cG82x7toFNgCcE8mMcgghpwwavOZ3AAsk7oddsZc7N6KBH-0mqBd94xNpWFP_-P5oU1AvZ6ndKxAqARsGVRrXeYMsN9fLw==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOMTxN9MA4jARw==].

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18. Weekly Highlights of the Daily Bugle Top Stories  
(Source: Editor)

Review last week's top Ex/Im stories in "Weekly Highlights of the Daily Bugle Top Stories" published here [[http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX\\_S1ybW1AojTkFUCK1iCYxpOaauDzm7-A8wmkwtQi-ruOF\\_73g7bDktwrNdKkbDlwYphd-C72SeFZizHu-R71qzYKUZUrSa5kyTLsQmRRvga9sJo1KYpqPCfq1JfXIUoXWym-omboCP0NFtpj4pQA==&c=EVmNhjw4cE7A1e5kc\\_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==](http://r20.rs6.net/tn.jsp?f=001qrhmIRVDH9-xxwmB1TXVMOaWlfpIrlUOuX_S1ybW1AojTkFUCK1iCYxpOaauDzm7-A8wmkwtQi-ruOF_73g7bDktwrNdKkbDlwYphd-C72SeFZizHu-R71qzYKUZUrSa5kyTLsQmRRvga9sJo1KYpqPCfq1JfXIUoXWym-omboCP0NFtpj4pQA==&c=EVmNhjw4cE7A1e5kc_t-YZshQgOGT4pqRdMFKKG6plSen32mmVOZgA==&ch=FZREUdFO3DFSFWx-xr3HCM2I1N3LJWVdx4H3YvpTDOmTxN9MA4jARw==)].

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Due to space limitations, we do not post Arms Sales notifications, Denied Party listings, or Customs AD/CVD items.

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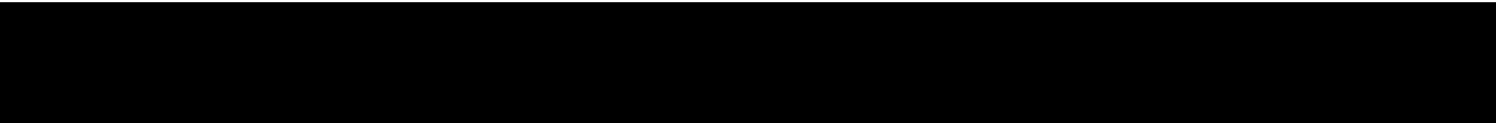
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To: Paul, Joshua M; Marquis, Matthew R; PM-DTCP-RMA
Cc: PM-CPA; PM-DDTC-Directors-DL; Miller, Michael F
Subject: RE: CPA Media Monitoring: Export Law Blog: DDTC's Buzzer Beater to Save Brokering Authority over Firearms Misses the Hoop



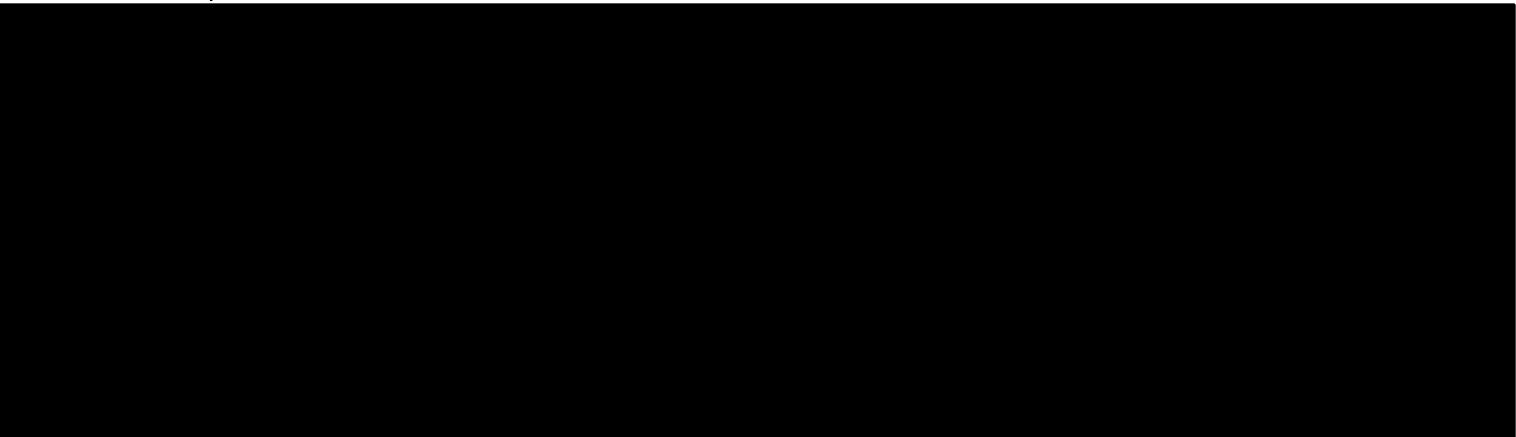
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Cc: PM-CPA <PM-CPA@state.gov>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov>; Miller, Michael F <Millermf@state.gov>
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Cc: PM-CPA <PM-CPA@state.gov<mailto:PM-CPA@state.gov>>; PM-DDTC-Directors-DL <PM-DDTC-Directors-DL@state.gov<mailto:PM-DDTC-Directors-DL@state.gov>>; Miller, Michael F <Millermf@state.gov<mailto:Millermf@state.gov>>
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Subject: CPA Media Monitoring: Export Law Blog: DDTC's Buzzer Beater to Save Brokering Authority over Firearms Misses the Hoop

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DDTC's Buzzer Beater to Save Brokering Authority over Firearms Misses the Hoop By Clif Burns
16 May 2018

As noted in my post yesterday on the proposed rules to transition certain Category I, II and III items from the United States Munitions List to the Commerce Control List, DDTC attempted to preserve its brokering authority over the transferred firearms and related items by amending the brokering rules to contain items both on the United States Munitions List ("USML") and the United States Munitions Import List ("USMIL"). An alert reader pointed out, quite correctly, that this clever regulatory sleight-of-hand was, ahem, not authorized by the Brokering Amendment to the Arms Control Export Act. 22 U.S.C. § 2278(b)(1)(A)(ii).

The Brokering Amendment provides authority to DDTC to register brokers and license brokering transactions. The problem is that it authorizes this only with respect to items on the USML. It makes no reference to the USMIL and provides no authority to regulate brokers of, and brokering transactions related to, items on the USMIL.

Section 2278(b)(1)(A)(ii)(I) provides the statutory mandate and authority to require registration of brokers:

As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section.

Subclause III requires licensing for "brokering activities described in [the above-cited] subclause (I)".

The relevant language here then is "any defense article ... designated by the President under subsection (a)(1)" and "any foreign defense article ... as defined in subclause (IV)". Both of these are, it turns out, references only to items on the USML

Subsection (a)(1), which gives the President the authority to designate defense articles subject to export controls, says this in the last sentence of the subsection:

The items so designated shall constitute the United States Munitions List.

Subclause IV only references the USML in its definition of "foreign defense article":

For purposes of this clause, the term “foreign defense article or defense service” includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin.

Not surprisingly, DDTC’s discussion of these proposed rules fails to mention this little problem in relying on the Brokering Amendment or where it believes it can otherwise find statutory authority to extend its brokering rules to items on the USMIL.

Link: <https://www.exportlawblog.com/archives/9169>

Matthew Marquis

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From: Jim Bartlett, Full Circle Compliance <jebartlett@fullcirclecompliance.eu>
Sent: Thursday, May 24, 2018 3:11 PM
To: pauljm@state.gov
Subject: 18-0524 Thursday "Daily Bugle"

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Thursday, 24 May 2018
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ITEMS FROM FEDERAL REGISTER

1. President Prohibits Certain Additional Transactions with Respect to Venezuela
2. Commerce/BIS Seeks Comments on Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control Under the USML
3. State Seeks Comments on Proposed USML Categories I, II, and III Revisions

OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions
2. Commerce/BIS Publishes Speeches Delivered at 2018 Annual Conference on Export Controls and Policy
3. DHS/CBP Releases Notice Concerning Entry Summary Changes
4. DoD/DSS Knowledge Center PCL inquiries Closed on 31 May, Open on 25 May
5. State/DDTC: (No new postings.)
6. UK OFSI Releases Guidance Concerning Breaches of Financial Sanctions

NEWS

1. American Shipper: "CBP Exploring 'Known Shipper' E-Commerce Concept"
2. BBC News: "Iran Nuclear Deal: Khamenei Lists Demands for European Powers"

3. The New York Times: "A Bid to Increase Gun Exports, Stalled After Sandy Hook, Moves Ahead"
4. Reuters: "Ukraine Adds Russian Tycoons and News Agency RIA to Sanctions List"
5. Reuters: "U.S. Targets Airlines in Latest Iran Sanctions Move"
6. ST&R Trade Report: "ACE Enhancements Include De Minimis, Importer ID, CEEs, Broker Permits"
7. WorldECR News Alert 24 May 2018

COMMENTARY

1. International Trade Compliance Update: "EU Blocking Regulation"
2. J. Reeves & K. Heubert: "A Primer on the Export Administration Regulations"
3. L. Luo: "Minefields in the U.S. Export Control System" (Part II of II)
4. Gary Stanley's EC Tip of the Day

EX/IM TRAINING EVENTS & CONFERENCES

1. ECS Presents "ITAR/EAR Boot Camp (Seminar Level I)" on 12-13 Sep in Annapolis, MD

EDITOR'S NOTES

1. Bartlett's Unfamiliar Quotations
2. The Daily Bugle Updates Privacy Policy to Comply with EU's GDPR
3. Are Your Copies of Regulations Up to Date? Latest Amendments: ATF (15 Jan 2016), Customs (12 Apr 2018), DOD/NISPOM (18 May 2016), EAR (17 May 2018), FACR/OFAC (19 Mar 2018), FTR (24 Apr 2018), HTSUS (4 May 2018), ITAR (14 Feb 2018)
4. Weekly Highlights of the Daily Bugle Top Stories

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#### ITEMS FROM TODAY'S FEDERAL REGISTER

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1. President Prohibits Certain Additional Transactions with Respect to Venezuela

(Source: Federal Register

[http://r20.rs6.net/tn.jsp?f=0010hmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozaRnLYbl8Dp6lktCTAAGD1G5fnMHjsS1FnE4CyHUXNaN7dX1D_qPyBni67BflrkkbYCWyGdVpV2aXduEDdVFF0u6dgc21kZttiqNouW6gpuy44GwtQNSSVwx8x_Qg66hjOiQsObNB3z8D0JIm0pR8N6FX9TbQiOlEiCF-lsOf_kl=&c=c6Ml3qB2z5BqRkVqmeY6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 24 May 2018.)

83 FR 24001-24002: Prohibiting Certain Additional Transactions with Respect to Venezuela
By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code, I, DONALD J. TRUMP, President of the United States of America, in order to take additional steps with respect

to the national emergency declared in Executive Order 13692 of March 8, 2015, and relied upon for additional steps taken in Executive Order 13808 of August 24, 2017 and Executive Order 13827 of March 19, 2018, particularly in light of the recent activities of the Maduro regime, including endemic economic mismanagement and public corruption at the expense of the Venezuelan people and their prosperity, and ongoing repression of the political opposition; attempts to undermine democratic order by holding snap elections that are neither free nor fair; and the regime's responsibility for the deepening humanitarian and public health crisis in Venezuela, hereby order as follows:

Section 1.

(a) All transactions related to, provision of financing for, and other dealings

in the following by a United States person or within the United States are prohibited:

(i) the purchase of any debt owed to the Government of Venezuela, including accounts receivable;

(ii) any debt owed to the Government of Venezuela that is pledged as collateral after the effective date of this order, including accounts receivable; and

(iii) the sale, transfer, assignment, or pledging as collateral by the Government of Venezuela of any equity interest in any entity in which the Government of Venezuela has a 50 percent or greater ownership interest.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted before the effective date of this order.

Sec. 2.

(a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. For the purposes of this order:

(a) The term "person" means an individual or entity;

(b) The term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches of such entities), or any person within the United States; and

(d) the term "Government of Venezuela" means the Government of Venezuela, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Venezuela and Petroleos de Venezuela, S.A. (PdVSA), and any person owned or controlled by, or acting for or on behalf of, the Government of Venezuela.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including promulgating rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to implement this order. The Secretary of the Treasury may, consistent with applicable law, re-delegate any of these functions to other officers and executive departments and agencies of the United States Government. All agencies of the United States Government shall take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 5. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against

the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 6. This order is effective at 12:30 p.m. eastern daylight time on May 21, 2018.

(Presidential Sig.)

THE WHITE HOUSE,

May 21, 2018.

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2. Commerce/BIS Seeks Comments on Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control Under the USML

(Source: Federal Register

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozsTSBeqlliwgqX4O-wa2hqjB3q7V6sdKIMBtNYBeh_3wNXymiitRRmEKexQ-pgtM7a7_OEAWpa49369tjCcAwFy1TNa5RuvSkRRb3k5W3QoNBSRRMntJ_tnq7S798xBEWGWucfPIhwc_N6t_g6mN06Gt8M65RilHpPgXsa9ocWTY=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 24 May 2018.) [Excerpts.]

83 FR 24166-24195: Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control Under the United States Munitions List (USML)

* AGENCY: Bureau of Industry and Security, Department of Commerce.

* ACTION: Proposed rule.

* SUMMARY: This proposed rule describes how articles the President determines no longer warrant control under United States Munitions List (USML) Category I--Firearms, Close Assault Weapons and Combat Shotguns; Category II--Guns and Armament; and Category III--Ammunition/Ordnance would be controlled under the Commerce Control List (CCL). This proposed rule is being published simultaneously with a proposed rule by the Department of State that would revise Categories I, II, and III of the USML to describe more precisely the articles warranting continued control on that list.

* DATES: Comments must be received by July 9, 2018.

* ADDRESSES: You may submit comments by any of the following methods:

- Submit comments via Federal eRulemaking Portal: <http://www.regulations.gov>

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOYDyOCEH7Jn2uknbuxIKRUTPx1NpP03MM24MwuvMe99tMB5HHjDU8dpyyufSoT4AIG3_Kw82oLlx3RL1-fivKT0NRvz65owO72p4PkMSBR9Q1vAfQpkn3t44taN-Hmk44w==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==].

You can find this proposed rule by searching on its regulations.gov docket number, which is BIS-2017-0004.

- By mail or delivery to Regulatory Policy Division, Bureau of Industry and Security, U.S. Department of Commerce, Room 2099B, 14th Street and Pennsylvania Avenue NW, Washington, DC 20230. Refer to RIN 0694-AF47.

* FOR FURTHER INFORMATION CONTACT: Steven Clagett, Office of Nonproliferation Controls and Treaty Compliance, Nuclear and Missile Technology Controls Division, tel. (202) 482-1641 or email steven.clagett@bis.doc.gov [mailto:steven.clagett@bis.doc.gov].

* SUPPLEMENTARY INFORMATION: ...

The changes described in this proposed rule and in the State Department's companion proposed rule on Categories I, II, and III of the USML are based on a review of those categories by the Department of Defense, which worked with the Departments

of State and Commerce in preparing the amendments. The review was focused on identifying the types of articles that are now controlled on the USML that are either (i) inherently military and otherwise warrant control on the USML or (ii) if of a type common to non-military firearms applications, possess parameters or characteristics that provide a critical military or intelligence advantage to the United States, and are almost exclusively available from the United States. If an article satisfies one or both of those criteria, the article remains on the USML. If an article does not satisfy either criterion, it has been identified in the new Export Control Classification Numbers (ECCNs) included in this proposed rule. Thus, the scope of the items described in this proposed rule is essentially commercial items widely available in retail outlets and less sensitive military items. ...

In this proposed rule, items that are currently controlled in Category II of the USML would be controlled on the CCL under four new "600 series" ECCNs. Placement of the items currently in USML Category II into the CCL's 600 series would be consistent with existing BIS practice of using 600 series ECCNs to control items of a military nature.

Items currently controlled in Categories I and III of the USML would be controlled in new ECCNs in which the third character is a "5." These items are not appropriate for 600 series control because, for the most part, they have civil, recreational, law enforcement, or other non-military applications. As with 600 series ECCNs, the first character would represent the CCL category, the second character would represent the product group, and the final two characters would represent the WAML category that covers items that are the same or similar to items in the ECCN.

This proposed rule does not deregulate the transferred items. BIS would require licenses to export, or reexport to any country a firearm or other weapon currently on the USML that would be added to the CCL by this proposed rule. BIS would also require licenses for the export or reexport of guns and armament that would be controlled under new ECCN 0A602, such as guns and armaments manufactured between 1890 and 1919 to all destinations except Canada. As compared to decontrolling firearms and other items, in publishing this proposed rule, BIS, working with the Departments of Defense and State, is trying to reduce the procedural burdens and costs of export compliance on the U.S. firearms industry while allowing the U.S. Government to enforce export controls for firearms appropriately and to make better use of its export control resources. BIS encourages comments from the public on this aspect of the proposed rule. ...

BIS believes the control of these firearms under the EAR is justified because the firearms described in this proposed rule are either not inherently military or do not warrant the obligations that are imposed under the ITAR pertaining to such items. After review, the Defense Department, in conjunction with the Departments of State and Commerce, concluded that the firearms in this proposed rule also do not provide a critical military or intelligence advantage to the United States, are not the types of weapons that are almost exclusively available from the United States, and are manufactured from "technology" that is widely available. Moreover, the firearms have commercial and other non-military characteristics that distinguish them from other articles controlled under the ITAR. There is a significant worldwide market for firearms in connection with civil and recreational activities such as hunting, marksmanship, competitive shooting, and other non-military activities. Because of the popularity of shooting sports in the United States, for example, many large chain retailers carry a wide inventory of the firearms described in the new ECCNs for sale to the general public. Firearms available through U.S. retail outlets include rim fire rifles, pistols, modern sporting rifles, shotguns, and large caliber bolt action rifles, as well as their "parts," "components," "accessories" and "attachments."

An additional justification for the change in the jurisdictional status of the items described in this rule is that the current ITAR controls burden U.S. industry without any proportionate benefits to United States national security or foreign policy objectives. Similar to the challenges faced by other industries, the firearms trade has been negatively affected by the incentives the ITAR creates for foreign manufacturers to avoid U.S.-origin content. Currently, under the ITAR, any part, component, accessory, or attachment for any of the firearms described in this proposed rule remains ITAR controlled, regardless of its significance, when incorporated into foreign-made items or reexported to any third country. Under the EAR, the de minimis provisions may, in certain cases, mean a foreign item that incorporates U.S.-origin content may not be subject to the EAR, provided the U.S.-origin items meet the applicable de minimis level for the country of reexport. Similarly, a technical drawing of such part, component, accessory or attachment is ITAR controlled, as is the provision of a "defense service" to a foreign person concerning those items, such as the application of protective coatings. Moreover, a U.S. person engaged in manufacturing or exporting these items or providing related defense services must register with the State Department under the ITAR. Thus, even if a U.S. company can manufacture or service these items at a lower cost in the United States as compared to the cost for a U.S. or foreign company to manufacture or service the items outside of the United States, the ITAR's restrictions may render the items unattractive or uncompetitive for foreign manufacturers. The EAR does not include a concept of "defense services," and the "technology" related controls are more narrowly focused and apply in limited contexts as compared to the ITAR.

The EAR also includes well-established and well understood criteria for excluding certain information from the scope of what is "subject to the EAR." (See part 734 of the EAR.) Items that would move to the CCL would be subject to existing EAR concepts of jurisdiction and controls related to "development" and "production," as well as operation, installation, and maintenance "technology." While controlling such "technology," as well as other "technology" is important, the EAR includes criteria in part 734 that would exclude certain information and software from control. For example, if a gun manufacturer posts a firearm's operation and maintenance manual on the internet, making it publicly available to anyone interested in accessing it and without restrictions on further dissemination (i.e., unlimited distribution), the operation and maintenance information included in that published operation and maintenance manual would no longer be "subject to the EAR." (See Sec. 734.3(b) and 734.7(a).) Non-proprietary system descriptions, including for firearms and related items, are another example of information that would not be subject to the EAR. (See Sec. 734.3(b)(3)(v).)

...

In addition, this rule would clarify the scope of some ECCNs currently on the CCL. This rule would also renumber these ECCNs to place certain firearms-related items currently on the CCL in closer proximity to the firearms-related items that would be removed from the USML and added to the CCL to make it easier to identify and classify such items.

BIS is interested in comments in response to this proposed rule as to whether the public find this reorganization helpful. In some instances, the juxtapositions resulting from this reorganization highlight different license requirements and licensing policies for various firearms and related items. The public is invited to comment on the appropriateness of these license requirements and licensing policies. The public is also encouraged to comment on whether or not the proposed rule describes items that are not widely available in commercial outlets.

Detailed Description of Changes Proposed by This Rule ...

Dated: May 4, 2018.

Richard E. Ashooh, Assistant Secretary for Export Administration.

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3. State Seeks Comments on Proposed USML Categories I, II, and III Revisions

(Source: Federal Register

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozS6u9nBEYWet-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozS6u9nBEYWet-LL10c_8V8yUIUJexUXXu8V2F4HJPGf3wjHAsnDhwTYe2DIwTUc00ezAKPX9ItckqU_FX8tcERjEkB0NRNfINRTaWHjb1ewm7SrBJVFlx12jGZEnYf0xjgPd1B0YwvIU0VKumiljYea_B5iv1Qjz2IOGy-4H7SM=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

LL10c_8V8yUIUJexUXXu8V2F4HJPGf3wjHAsnDhwTYe2DIwTUc00ezAKPX9ItckqU_FX8tcERjEkB0NRNfINRTaWHjb1ewm7SrBJVFlx12jGZEnYf0xjgPd1B0YwvIU0VKumiljYea_B5iv1Qjz2IOGy-

4H7SM=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],

24 May 2018.) [Excerpts.]

83 FR 24198-24205: International Traffic in Arms Regulations: U.S. Munitions List

Categories I, II, and III

* AGENCY: Department of State.

* ACTION: Proposed rule.

* SUMMARY: The Department of State (the Department) proposes to amend the International Traffic in Arms Regulations (ITAR) to revise Categories I (firearms, close assault weapons and combat shotguns), II (guns and armament) and III (ammunition and ordnance) of the U.S. Munitions List (USML) to describe more precisely the articles warranting export and temporary import control on the USML. Items removed from the USML would become subject to the Export Administration Regulations (EAR).

* DATES: The Department will accept comments on this proposed rule until July 9, 2018.

* ADDRESSES: Interested parties may submit comments within 45 days of the date of publication by one of the following methods:

- Email: DDTCPublicComments@state.gov with the subject line, "ITAR Amendment--Categories I, II, and III."

- Internet: At www.regulations.gov, search for this notice using Docket DOS-2017-0046.

Comments received after that date will be considered if feasible, but consideration cannot be assured. Those submitting comments should not include any personally identifying information they do not desire to be made public or information for which a claim of confidentiality is asserted, because those comments and/or transmittal emails will be made available for public inspection and copying after the close of the

comment period via the Directorate of Defense Trade Controls website at www.pmdtdc.state.gov

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOVKyOUjDfGdQjI549nj63t79Q-fE3WIP5RPIlh80bru1WycLAGVGMl7n5UWEbjH84-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOVKyOUjDfGdQjI549nj63t79Q-fE3WIP5RPIlh80bru1WycLAGVGMl7n5UWEbjH84-5HnKcN5ZXcBE2XR0sZfwQb9NDxcXa2_YX9uCzfQfjYaoLd5pbqKWtyaz9L87R2g==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

5HnKcN5ZXcBE2XR0sZfwQb9NDxcXa2_YX9uCzfQfjYaoLd5pbqKWtyaz9L87R2g==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==].

Parties who wish to comment anonymously may do so by submitting their comments via

www.regulations.gov, leaving the fields that would identify the commenter blank

and including no identifying information in the comment itself.

* FOR FURTHER INFORMATION CONTACT: Robert Monjay, Office of Defense Trade Controls Policy, Department of State, telephone (202) 663-2817; email DDTCPublicComments@state.gov [<mailto:DDTCPublicComments@state.gov>]. ATTN: Regulatory Change, USML Categories I, II, and III.

* SUPPLEMENTARY INFORMATION: ...

The Department of State is engaged in an effort to revise the U.S. Munitions List so that its scope is limited to those defense articles that provide the United States with a critical military or intelligence advantage or, in the case of weapons, are

inherently for military end use. The articles now controlled by USML Categories I, II, and III that would be removed from the USML under this proposed rule do not meet this standard, including many items which are widely available in retail outlets in the United States and abroad.

Revision of Category I

This proposed rule revises USML Category I, covering firearms and related articles, to control only defense articles that are inherently military or that are not otherwise widely available for commercial sale. In particular, the revised category will not include non-automatic and semi-automatic firearms to caliber .50 (12.7mm) inclusive, currently controlled under paragraph (a), and all of the parts, components, accessories, and attachments specially designed for those articles. Such items will be subject to the new controls in Export Control Classification Numbers 0A501, 0A502, 0A503, 0A504, 0A505, 0B501, 0B505, 0D501, 0D505, 0E501, and 0E502. Such controls in Category 0 of the CCL will be published in a separate rule by the Department of Commerce.

Paragraph (a) of USML Category I will cover firearms that fire caseless ammunition.

Paragraph (b) will continue to cover fully automatic firearms to caliber .50 (12.7mm)

inclusive. Paragraph (c) will cover firearms specially designed to integrate fire control, automatic tracking, or automatic firing systems, and all weapons previously described in paragraph (c) that remain on the USML will be covered by paragraph

(a), (b) or (c) of this category or by Category II. Paragraph (d) will cover fully automatic shotguns. Paragraph (e) will continue to cover silencers, mufflers, sound suppressors, and specially designed parts and components; flash suppressors will be subject to the EAR. Paragraph (f) will be reserved, as riflescopes and other firearms sighting devices may be controlled in USML Category XII if they have night vision or infrared capabilities, and other riflescopes will be subject to the EAR.

Paragraph (g) will continue to cover barrels, receivers (frames), bolts, bolt carriers, slides, or sears, specially designed for the firearms in Category I. Paragraph (h) will cover high capacity (greater than 50 rounds) magazines, and parts and components to convert a semi-automatic firearm into a fully automatic firearm, and accessories or attachments specially designed to automatically stabilize aim (other than gun rests) or for automatic targeting. Paragraph (i) will continue to cover the technical data and defense services.

A new (x) paragraph will be added to USML Category I, allowing ITAR licensing for commodities, software, and technology subject to the EAR, provided those commodities, software, and technology are to be used in or with defense articles controlled in USML Category I and are described in the purchase documentation submitted with the license application.

The note to Category I will be retained, with conforming revisions. A new second note will be added to clarify the terms "firearm," "fully automatic," and "caseless ammunition".

Revision of Category II

This proposed rule revises USML Category II, covering guns and armament, establishing a bright line between the USML and the CCL for the control of these articles.

Most significantly, paragraph (j), controlling parts and components, will be revised to enumerate the articles controlled therein.

Paragraph (a) will be revised to enumerate the articles controlled in that paragraph.

The articles currently covered in paragraph (c) (apparatus and devices for launching or delivering ordnance) still warranting control on the ITAR will be included in new paragraph (a)(4). A new paragraph (a)(5) will be added for developmental guns and armaments funded by the Department of Defense and the specially designed parts and components of those developmental guns and armaments. The articles currently controlled in paragraph (f), engines for self-propelled guns and howitzers in paragraph

(a), will be on the CCL in ECCN 0A606. Tooling and equipment for the production of articles controlled in USML Category II, currently in paragraph (g), will be on the CCL in ECCN 0B602. Test and evaluation equipment, currently in paragraph (h), will be on the CCL in ECCN 0B602. Certain autoloading systems controlled in paragraph (i) will be moved to paragraphs (j)(9) and (11).

A new (x) paragraph will be added to USML Category II, allowing ITAR licensing for commodities, software, and technology subject to the EAR, provided those commodities, software, and technology are to be used in or with defense articles controlled in USML Category II and are described in the purchase documentation submitted with the application.

Revision of Category III

This proposed rule revises USML Category III, covering ammunition and ordnance, to establish a bright line between the USML and the CCL for the control of these articles and to be consistent with the changes to Category I.

Most significantly, paragraphs (a) and (d) will be revised to remove broad catch-alls and enumerate the articles to be controlled therein. For example, paragraph (a), which controls ammunition for articles in USML Categories I and II, will be revised to specifically list the ammunition that it controls. A new paragraph (a)(10) will be added for developmental ammunition funded by the Department of Defense and the parts and components specially designed for such developmental ammunition. Ammunition not enumerated in paragraph (a) will be subject to the EAR. Likewise, revised paragraph (d), which controls parts and components, will enumerate the articles it controls; those articles not identified but currently captured via the catch-all will be subject to the EAR.

Additionally, paragraph (c), which controls production equipment and tooling, will be removed and placed into reserve. The articles currently covered by this paragraph will be subject to the EAR.

A new (x) paragraph will be added to USML Category III, allowing ITAR licensing for commodities, software, and technology subject to the EAR, provided those commodities, software, and technology are to be used in or with defense articles controlled in USML Category III and are described in the purchase documentation submitted with the application.

Conforming ITAR Changes

Additionally, conforming changes will be made to several sections of the ITAR that refer to the current controls in USML Category I(a). These sections will be amended because they all refer to firearms that will be controlled on the CCL. Section 123.16(b)(2) will be revised to remove reference to the firearms exemptions at Sec. 123.17(a) through (e), which describe the firearms exemptions, because the paragraphs will be removed as a consequence of the control of non-automatic and semi-automatic firearms on the CCL. For the same reason, Sec. 123.16(b)(6) will be revised to describe only the remaining exemption at Sec. 123.17 (personal protective gear), and Sec. 123.16(b)(7) will be reserved. Section 123.17 will be amended to remove paragraphs (a) through (e), consistent with changes made to the USML. Section 123.18, as it describes exemptions for firearms that will be controlled for export by the Department of Commerce, will be removed and placed into reserve. Revision of Sec. 124.14(c)(9) will remove the example of "sporting firearms for commercial resale." The policy guidance on Zimbabwe in Sec. 126.1(s) will be revised to remove reference to the firearms exemption in Sec. 123.17.

Section 129.1(b) of the ITAR will be revised to clarify that the regulations on brokering activities in part 129 apply to those defense articles and defense services designated as such on the USML and those items described on the USMIL (27 CFR 447.21). Section 129.4 of the ITAR will also be revised to clarify brokering requirements

for items on the USMIL that are subject to the brokering requirements of the AECA. The items that will move to the CCL for export control purposes, yet are on the USMIL for permanent import purposes, remain subject to the brokering requirements of part 129 with respect to all brokering activities, including facilitation in their manufacture, export, permanent import, transfer, reexport, or retransfer. The revisions also clarify that foreign defense articles that are on the USMIL require brokering authorizations.

Request for Comments

The Department welcomes comments from the public and specifically requests input on the following matters:

(1) A key goal of this rulemaking is to ensure the USML and the CCL together control all the items that meet Wassenaar Arrangement commitments embodied in its Munitions List Categories 1, 2 and 3 (WA-ML1, WA-ML2 and WA-ML3). Readers are asked to identify any potential gap in coverage brought about by the changes for USML Categories I, II and III contained in this notice and the new Category 0, 0x5zz ECCNs published separately by the Department of Commerce when reviewed together.

(2) The Department seeks to establish clear distinctions between the USML and the CCL for the control of firearms, large guns, armaments, ordnance and ammunition.

The public should provide any specific examples of firearms (or parts, components, accessories thereof), large guns, armaments, ordnance or ammunition whose jurisdiction is unclear based on this revision.

(3) The Department has, in the past, adopted a delayed effective date of 180 days for rules revising entire categories of the USML and moving items to the CCL. The Department seeks to allow industry sufficient time to implement this rule, including time to make changes to IT systems, technology controls plans, and other business processes. The public should provide input on the time necessary to implement any final rule for these categories, as well as a description of any increased burden that, in the view of the commenter, would be imposed on businesses or individuals should this rule be adopted. ...

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OTHER GOVERNMENT SOURCES

4. Items Scheduled for Publication in Future Federal Register Editions

(Source: Federal Register

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOWNsgOX7a2ylv3XZqKGO1Y6-

YEFtiKwWpN8_cl_tp91eWNIBq4XhU1bLQ0dII_kTiRDCMiN3YRyeN8w1UGfCUsqjRLGC2C2i1t5QUt5AusGWQFeRIml5yrKje34jkkKhK6qEP-FLypO_eT9OsUI-9Q=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==])

* DHS/CBP; NOTICES: Agency Information Collection Activities; Proposals, Submissions, and Approvals:

- Application for Allowance in Duties; and

- Petition for Remission or Mitigation of Forfeitures and Penalties Incurred [Publication Dates: 24 May 2018.]

* ITA; NOTICES; Generalized System of Preferences: Possible Modifications, 2017 Review [Publication Date: 24 May 2018.]

* Treasury/OFAC; NOTICES; Blocking or Unblocking of Persons and Properties [Publication

Date: 24 May 2018.]

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5. Commerce/BIS Publishes Speeches Delivered at 2018 Annual Conference on Export

Controls and Policy

(Source: Commerce/BIS

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoz7ncLESUHyO7ryhAe5Gqky113G8HDI3car0KKhLi_YuEW2dPoOZH6ICQR3bmPznvbKyME9xgHYwnTEJMsixRkdMBucGWadotK0bcF45NmW-

kFZz8KdSwNIQDBOcQMnLg9RpQOgwYFh027snwhCja6DsO6_mXwLvXadKo4CjxP_gvhid33Nzk9dQ==&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],

15 May 2018.)

BIS has posted on its website the following remarks delivered at its 2018 Annual

Conference on Export Controls and Policy in Washington, DC, on 14-15 May 2018:

- Remarks of Assistant Secretary for Export Administration Richard Ashooh, 15 May 2018

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozegwQlnKlfMmrez_B0bB1OjgwTahAe7wh4xGUt8iswoLMw07o5sLkB4VwK5CQDYxZVWC_qLQB5Es7oZRgcLhNorW3_-6Wvi4fdVdmySOeOQbtD6kP9XRiQcoOi7esV8Txa2-XkVqI-

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ULDTeqDauwDBGa5YRgpqP0ptDGHjdeECMJ6wWoFqf3idSEcnKphOM3BhBEyCAdbCg3LazT8-

gSTwvSWIU45rDpCYErrorL1bkqgShE2aT_YClaeLrwNGg_2FzrZ_G-

ZIPr257q6EwKxgBY91hDwzlgXywXV&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==]

- Remarks of the Secretary of Commerce Wilbur Ross, 14 May 2018

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozBp8EGsENs41Gvi2WvB7y9kSLNVcEPmnVsgfE-O_kwaYjiRoZvSb5V3pjMPdWmmb5SV9rPB9Yf132jIUnObOznIGgijzX7Z3i4JG3-7vRf8B4aJm8PE_uNQ797plsw0HMGcQgF3R4GRfKQprYlded-

IL7x4Qp1K1oO1AS8pNnaQqWBUnOOjI7KAkdmVQtnf&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==]

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6.

DHS/CBP Releases Notice Concerning Entry Summary Changes

(Source: CSMS# 18-000358

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoz00Z52cuSn5M5YRwkaPixyqsNVYiuJvbfEOyb0cLnOeo2ez0uSA-

E8s6rGCiatvAet959803iAo8CNMa6g_5knYpiKOTffffEIGPeWdujViLTJCj01x3LUGYpcwuTRGDu8pOi5ukj88iuElrh26k9vJgib

ejZnbsdkwq3ne4nKXgTcoEMCQZ4igjYaFqzMAJPLZ8pJeV--gUTRUwERcpEWayVHnRALq6CoPBFLZgtOreatVLYMmrs_OD-

AAQqu4&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],

23 May 2018.)

CBP plans to deploy Entry Summary changes to CERT for Tariff Rate Adjustment validations

(see CSMS Message #: 18-000349) on 5/24/2018, with the new functionality being available

for testing by 10:00 AM ET on 5/24/2018.

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7.

DoD/DSS Knowledge Center PCL inquiries Closed on 31 May, Open on 25 May

(Source: DoD/DSS

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOUyWxeM5MNUIfSyCedY6x_ZFhHhF9Lk0qhKvNrbpKowr-SauXD8fjDQbDmJ_hpNIkbD1d-2mOKGh8UI3rQ0MAT5gXNFfeDS-HoLOC1S5thjB8XOr1T5X6EQ=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 23 May 2018.)

Personnel Security (PCL) inquiries (option #2) to include e-QIP authentication resets of the DSS Knowledge Center will not be closed on Friday, 25 May. The DSS Knowledge Center will be closed Thursday, 31 May, from 8 a.m. to noon, for the purpose conducting internal training to deliver the highest quality customer service to Industry and Government callers. Normal operations for PCL and e-QIP inquiries will resume at 12:01 p.m. on 31 May.

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8. State/DDTC: (No new postings.)

(Source: State/DDTC

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQORYWiM0HWmWxy1BL6dDw9HH2FlzTbrSuOW9Kmv7VivX-BfcNGWHpmhD8xxiInnhUkk8LtxeifsvPCWLfHiPDz3K9KExtU16bszpq_voOR9p-9KMn3IbqxevTkPpnehpl8T33BJxIBFjVN5af7IU_msNWewmOBy4TeVPK2RkaGh4&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==])

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9.

UK OFSI Releases Guidance Concerning Breaches of Financial Sanctions

(Source: UK OFSI

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozrUTslcUu92oyAH1bHNQiu3GWUkMzPnplIF453G7w0MCQXQlwmEGZAJ-lKpXV_ZuRspAZ35-WV9mp-cSm-ppyazhX82uPdpPhRxNG8uxmiaEqDW4D8jwqJA9pL_XKih_H2sUyxGoh2bttKREQ3iVN4ouy8UriRXQTEcUE16WVwEpd3rkgnMWZg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 22 May 2018.) [Excerpts.]

If you suspect that a breach of financial sanctions has occurred, you need to contact the Office of Financial Sanctions Implementation (OFSI) at the earliest opportunity. You are legally obliged to report to OFSI if, as a relevant institution, business or profession, you know or suspect that a breach of financial sanctions has occurred, that a person is a designated person, or you hold frozen assets and that knowledge or suspicion came to you while conducting your business. You must contact OFSI at the earliest opportunity.

EU regulations require individuals, entities and bodies to supply OFSI as soon as practicable with any information that would 'facilitate compliance' with the regulations. Any information provided will only be used for the purposes for which it was provided or received. This requirement applies to natural and legal persons, entities and bodies in the UK or under UK jurisdiction.

UK regulations, which enforce EU regulations, set out additional specific reporting

obligations for a 'relevant institution' and a 'relevant business or profession'.

All relevant institutions, businesses and professions are required, under UK law, to report information about designated persons, frozen assets or suspected breaches to OFSI if the information on which the knowledge or suspicion is based came to it in the course of carrying on its business. These reports are essential to help OFSI detect and address illegal activity. ...

The guidance is available here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozrUTslcU U92oyAH1bHNQiu3GWUkMzPnplIF453G7w0MCQXQl mwEGZAJ-lKpXV_ZuRspAZ35-WV9mp-cSm-ppyazhX82uPdpodPhRxNG8uxmiaEqDW4D8jwqJA9pL_XKih_H2sUyxGoh2bttKREQ3iVN4ouy8UriRXQTEcUE16WVwEpd3rkgnMWZg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==].

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NEWS

10.

American Shipper: "CBP Exploring 'Known Shipper' E-Commerce Concept"

(Source: American Shipper

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozeWAZ927hUWsdVaVg-NT3gnZsBA9Gt1XuOjnbNjN30xHnlWODWr-JTEm7RI3ONBMKY4F71LTDdvtJKZBdPz0G40FyBcB7z77AvMXdyGVvwlkx1t2J4FXu38lYsvjGW5XU8ikORNa7OtxdARLrD5psA5HXEKWmEah-7L06a8vVYEZ3dFK44FCV-bZkbpYln9zRbQKgoEPc_Ce73gs3HyE6w==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 23 May 2018.) [Excerpts.]

Commissioner Kevin McAleenan said officials are looking to balance trade enforcement and trade facilitation by incentivizing private-sector partnerships.

U.S. Customs and Border Protection (CBP) is exploring a sort of "known shipper" approach for according trade-processing benefits to e-commerce "partners in compliance" as well as for holding transacting parties accountable for low-value shipment violations, CBP Commissioner Kevin McAleenan said Tuesday during the U.S. Chamber of Commerce's Sixth Annual Global Supply Chain Summit.

"We want to explore trade benefit incentives in the e-commerce marketplace, not unlike the voluntary Customs-Trade Partnership Against Terrorism [CTPAT] approach," he said. "That way, we can focus on non-compliant trade while offering processing benefits to compliant importers. This kind of known shipper program could be a win-win for CBP and stakeholders in the e-commerce arena." ...

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11.

BBC News: "Iran Nuclear Deal: Khamenei Lists Demands for European Powers"

(Source: BBC News

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoz4Py0Qr eFej53QlgxtlKlx6Co53um2CkxWQzcHfL-C-nvxrv-ts4PxVh1oacjA8HQ2TgLGnh1gxFPE8xLxquZhkQTX4E7FAQyA-UANp8o9Y-

AixTOT8AcAvtzB8ZP8sKPcXlwVMwYHdj9OR04A_QaQCT0cU6LsAo&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],
23 May 2018.) [Excerpts.]

Iran's Supreme Leader Ali Khamenei has set out several conditions for staying in the nuclear deal with world powers. ...

U.S. President Donald Trump has said he is withdrawing from the deal, and on Monday Secretary of State Mike Pompeo said sanctions lifted after the 2015 deal would be re-imposed. ...

The UK, France and Germany, meanwhile, have been trying to keep the deal alive, and Iran says it will restart its nuclear program unless its concerns are met.

What Are Ayatollah Khamenei's Main Conditions?

- European powers should protect Iranian oil sales from the US sanctions and continue buying Iranian crude
 - European banks should safeguard trade with Iran
 - The UK, France and Germany should pledge not to seek negotiations on Iran's ballistic missile program and regional activities, both demanded by Washington ...
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12. The New York Times: "A Bid to Increase Gun Exports, Stalled After Sandy Hook, Moves Ahead"

(Source: The New York Times

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozS8OPPyvAuLoOKOsdE0Cg6RsuhyBLb4efWUhwIZ_Q_Ip9yJk9e75xEClv0j7PfeNDTBQ2Vy6xMo9hnSOhxXuqQEpds025b2jndftpevE33Kmt7YsnoOh5jqYV6oioytdcCH8BeirQRNuytAiWgQeNxxAED3HTVKVO6uzUJhkAjfcoYheU0zeg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],
23 May 2018.) [Excerpts.]

The Trump administration wants to streamline the process for exporting American firearms, a change sought for years by domestic gun companies as a way to increase sales.

A proposed rule

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozTdTvIQzXZxcYd_bUeJpdV3myyhDclm8_PVKF5Jqy4D1ehB3qqb6_mixu83AtMYpQyLBX1VhvT2H9cdhNJT-b-II1RSwLGLKCTeF52lsS1W_xmrmjf8myIEM7bKlub-QKHHat7fOyTWye2xu0WQ1Y7wN4NIMps35CnrXv2wZbMTAjpgQtub_mptvjp8pIEYXaRh222zYWR-RVCLXO8hvwCC8VbufVbr5-6Dkl_HgwRGzz8j0VXydRhUo1v3akq9qCNW9Qpy2EngZl2ds1Oz43rlQ==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==]

expected to be published in the Federal Register on Thursday would transfer jurisdiction of consumer gun exports from the State Department, where the licensing process is expensive and extensive, to the Commerce Department, which has a simpler application process.

Publication of the rule kicks off a 45-day comment period, after which departments including State and Commerce will review corrections and suggestions and then send a revised draft to Congress before final publication.

Gun industry groups said that the shift, which was first conceived during the Obama administration but halted after the Sandy Hook school shooting in 2012, would pare down a bureaucratic process that currently discourages American firearms companies from sending their products abroad. ...

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13. Reuters: "Ukraine Adds Russian Tycoons and News Agency RIA to Sanctions List"

(Source: Reuters)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoz_9y6l09R1VjGOCbkwI5AcaVU9gEHu9WcZjVKwzooYgKd8gWFCXwlyWBTNOwGkwVhxNpAH8C54zKeM1pvc3mGVHC1zll0Bly_g2eoGJtbL9pGyHFQdrwaeA45h8MzdUkL86u9LUcL2lIJhrkNCP1r2AUx8021dvo3lCy-vO5Yk8bFRME2GEoujqxd-8FHEBILQ0ioOv1-9G_h5-drtvK_8QXq_wDXGUUkeBt8NdOPwJT6x9mLgOwAkHbFNAhgJxpV9vCMVhGXcWg=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 24 May 2018.) [Excerpts.]

Ukraine has put Russian businessman Oleg Deripaska, whose company Rusal owns a large alumina plant in the country, and other prominent Russians on an expanded sanctions list, a document on the president's website showed on Thursday.

It was not clear what effect the blacklisting would have as many Russian companies have already sought to wind up their Ukraine-linked activities due to earlier sanctions.

But restrictions on Deripaska could affect the operations of the Mykolaiv plant in southern Ukraine, which is the second-largest alumina asset of his aluminum business Rusal. ...

Kiev first implemented sanctions against hundreds of Russian companies and entities after Moscow's annexation of Crimea in 2014 and over its support for a pro-Russian separatist uprising in eastern Ukraine.

Earlier in May it expanded these restrictions to mirror those of the United States, which blacklisted officials and businesspeople around President Vladimir Putin in April. This was one of Washington's most aggressive moves to punish Moscow for its alleged meddling in the 2016 U.S. election and other "malign activity".

Ukraine's updated list was published online on Thursday, confirming sanctions on Deripaska as well as on other Russian tycoons such as Viktor Vekselberg, owner of Renova holding group, and Alexei Miller, the CEO of Russia's gas exporter Gazprom. The additions to the list also include the Ukraine operations of Russian state news agency RIA Novosti. ...

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14. Reuters: "U.S. Targets Airlines in Latest Iran Sanctions Move"

(Source: Reuters)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozqNBzPkrh1cbluyn5kVHOq5PKVvx65UxChB3JczNKB7o3ZTX-2uKGKTSUmIVJJ-8cgF9PIo7ciBd316EYawWBUB_GvtWnvBbnf4AqHK4H5KBTbEYi3cBJMuA-TiFni9iNA6-JmExXdotgjeTXOhznqvWYm3sFj5ysxz6vF7aMUFRiGbKz_zvwDSE3844pLxYmbRN6leuj5oXdajMo2raWG7Xi2B7aJHyAI_zvHjzG9mQ=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==], 24 May 2018.)

The United States on Thursday imposed sanctions on several Iranian and Turkish companies and a number of aircraft in a move targeting four Iranian airlines.

The companies targeted were linked to Mahan Air and Meraj Air, the U.S. Treasury Department said in a statement. It also said it was targeting a number of their aircraft, as well as aircraft from Caspian Airlines and Pouya Air.

The United States said the airlines had ferried weapons, fighters and money to proxies in Syria and Lebanon. Washington also threatened sanctions against those granting

landing rights and providing services to the aircraft.

"The deceptive practices these airlines employ to illegally obtain services and U.S. goods is yet another example of the duplicitous ways in which the Iranian regime has operated," U.S. Treasury Secretary Steven Mnuchin said in a statement.

The airlines were not immediately available for comment.

Washington also targeted three individuals, one from Turkey and two from Iran, who it said were linked to the airlines and aviation firms.

The sanctions were the latest in the United States' efforts to economically strangle Iran with the hopes of blocking the country's efforts to develop nuclear weapons.

Earlier this month, the United States withdrew from a 2015 nuclear accord that had lifted sanctions on Iran in exchange for curbs to its nuclear program, dismaying U.S. allies who want to preserve it.

The United Nations' International Atomic Energy Agency has said that Iran is compliant with the deal, but U.S. President Donald Trump said the entire accord is flawed because restrictions lapse over time and it does not address Iran's ballistic missile program or Tehran's role in regional conflicts.

On Tuesday, the United States imposed sanctions on five Iranians it said had provided Yemen's Houthi movement with weaponry and expertise to launch missiles at cities and oil infrastructure in Saudi Arabia.

Iran's supreme leader has laid out a number of conditions for Tehran to stay in the deal, and senior officials from the countries still in it - China, France, Germany, Iran, Russia and the United Kingdom - are meeting in Vienna on Friday to discuss the next steps.

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15. ST&R Trade Report: "ACE Enhancements Include De Minimis, Importer ID, CEEs, Broker Permits"

(Source: Sandler, Travis & Rosenberg Trade Report

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjZ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozP9jC2oTLTsRsQ-m7_tv2Eu8bZ7Udi_Wkd74COHX873fvUdHB-4-oDLBHsM4litr3kKp_8G9bW3klwbLOkqRB3d6c-3PC30VTHWYzKUMAAjd5LE5-

_HNdBLzTARgacC67SUhCgQ3Mq1Gygc8EATvSBmz3c1mSuj00WA1jsgnMk1ZbyAlVusLZRudteHcWrgEQajOAJ_DZsvsL9vWmNDWrg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],

24 May 2018.) [Excerpts.]

Enhancements to the Automated Commercial Environment for de minimis shipments, the importer ID form, foreign-trade zone entries, Centers of Excellence and Expertise, and customs broker national permits are among those that U.S. Customs and Border

Protection anticipates making in fiscal year 2018 thanks to a congressional appropriation of \$30 million. CBP states that a development and deployment schedule will be released later and that it will engage the trade community to refine trade-facing technical requirements and implementation plans.

Section 321 Entries. Under section 321 of the Trade Facilitation and Trade Enforcement Act, the maximum value of goods that can be imported free of duty and tax by one person on one day (the so-called de minimis value) was increased from \$200 to \$800 as of February 2016. CBP currently clears such goods off the manifest but is working to automate data collection on these shipments, which would create an additional pathway to clearance via development of an entry type 86 for ABI submission. This filing option will be optional for all filers but required for entries with partner government agency data.

Importer ID Input Record. CBP Form 5106 collects data used to establish bond coverage, release and entry of goods, liquidation, and the issuance of bills and refunds.

CBP states that automating and updating the data elements captured in ACE for this form will (a) enable the collection of more detailed importer information to support more advanced risk analysis, (b) further improve revenue functions, and (c) provide for more streamlined processing for importers, brokers, sureties, and others through the ability to create, edit, and update importer information.

FTZs. The current process provides an electronic document to request the entry of cargo into a foreign-trade zone and electronic messaging when a cargo exam is required and goods have been authorized for a permit to transfer into an FTZ. The e214 redesign will enable the submission of PGA data simultaneously with the e214 via the PGA message set or the document image system when reporting FTZ admissions.

CEEs. CBP will create unique identifiers for its ten Centers of Excellence and Expertise that will be added to all post-release workflow in ACE. CBP states that designating the CEE code in entry summary, reconciliation, and protest transaction submissions will aid the transition to account-based processing.

Broker National Permits. In line with a forthcoming proposed rule that will update the customs broker regulations in 19 CFR 111, ACE will be enhanced to transition all brokers to a single national permit and eliminate multiple district permits and waivers. Brokers will be able to conduct entry via remote location filing at any port nationwide and will no longer have to pay the initial \$100 permit fee and the annual \$141.70 permit user fee per local permit.

Truck Processing. CBP will deploy drive-through multi-energy portal imaging systems to the Laredo World Trade Bridge and the Brownsville Veterans Bridge and allow non-intrusive inspections, which currently occur at secondary, to take place in pre-primary. CBP states that these capabilities are essential components of the cargo "model port" project for which initial pilots are slated this summer.

GSP. This enhancement will address mandatory updates related to the renewal of the Generalized System of Preferences and allow quicker payment of retroactive refunds when GSP expires and is later reinstated.

Manifest. CBP states that collecting shipper phone numbers as an optional data element on the manifest will help improve and strengthen the targeting of e-commerce shipments.

Vessel Management. This enhancement will allow for electronic receipts for vessel entry fees and the addition of an online payment option for vessel agents and owner operators.

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16. WorldECR News Alert 24 May 2018

(Source: WorldECR

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozZ1J_4qA6YV1TN4B85XHj8SPZXQ2rn41jVYxvILgSF7f_GDTOr3L2QW98-7WKkz8U2U0jeOMHLCzlovOG4S74bSk3YONm3_F_lyrFD5CJHsvIEGwVgZGfz7dCSTGrMEst4r7oUBYfuw84s54PnGNW-qjEuy6PMTppxn5Eqptwizzs6K79Von9wjZcCFjuu4Wr&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],

24 May 2018.)

- (1) EU to use Blocking Regulation in response to US withdrawal from the JCPOA
- (2) Russian parliament considers counter-sanctions bills
- (3) US strengthens sanctions on Venezuela
- (4) Japan's METI revises its End User List
- (5) OFSI updates its monetary penalty guidance and compliance reporting form

[Editor's Note: Click here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOREw1QdvlvjhzRYAIYF8ci18wbBzJvy1Cdis9Z-MmxelVAJmG7UbiWXqREy_t-Ghe52iuiCSxwT_pw2CWj9rCBPCEGMJfyBW5DenFzZAKshNimyOcvifxKk=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==]
to find information on how to subscribe to WorldECR, the journal of export controls
and sanctions.]

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COMMENTARY

17. International Trade Compliance Update: "EU Blocking Regulation"

(Source: International Trade Compliance Update

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozbC574o_fF3FZ7kJs2YY-kstl7v2VMRRz1UCRdZymmfrqXUFTTqIL-zdbDcj-DQ1OI6LNbHCF9LxEtuSI5YCzIhtyqeBm3Cd1XqvWMMfmvFt1Lq3bssmkHoZDjl_CzUCcskiwwxoBTQ8OMZkyw_7ZkGEkKhYISZqQqy3HC2LD2LN7xZfyRD6BJyqDq7VNXfTx-ODlj2U8jA=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==],
22 May 2018.)

The European Commission has started the process by which it would add U.S. sanctions measures on Iran to the so-called Blocking Regulation (formerly Regulation 2271/96).

This is in direct response to the U.S. President's withdrawal of his waiver relating to the JCPOA. The effect of the withdrawal was to reintroduce US sanctions that were in force prior to the JCPOA. U.S. sanctions on Iran not only impact US companies and persons, but can, in certain circumstances be applied to non-U.S. persons. The most important extension of U.S. jurisdiction relates to non-U.S. subsidiaries of U.S. companies. However, the U.S. also has powers to place so-called "secondary sanctions" on non-U.S. persons. These can be placed on any person (i.e., including non-US persons acting wholly outside U.S. jurisdiction) engaging in certain "sanctionable activities," as defined by the relevant U.S. laws and regulations. These "sanctionable activities" are detailed in OFAC's recent FAQ document available here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOVBev5BdZlJxUNiuPziztp6NTTRTFbYGGQNNzd7z9IKy95XG1H2IDztLYPsNTfUxE2Hf6XglmXnGqeWpD5YR4K09g5MjC90ekYcXAh1cMH-gFWIY-9tTF5t0ER-cFfznauJ1Zlxp-A2P44Nf2ilziVFTrZSSmri9eU3GjO3Moo23t8eiUBAZsSG-khjeE31IVY3FJSU3zfSVVqmnHhOJjegjFlok5E0Ipg==&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==].

The U.S. Government has a considerable degree of discretion in determining whether to impose "secondary sanctions" on non-U.S. persons engaging in these "sanctionable activities," and this will likely depend in part on the nature and scope of the activities, the parties involved, etc.

Most countries, and all the other signatories of the JCPOA (UK, Russia, China, France and Iran) plus Germany have reaffirmed their adherence to the JCPOA.

What does the Blocking Regulation do?

The Blocking Regulation has four main elements.

First, it requires any EU person to notify the Commission of any effects on the economic and/or financial interests of that person caused by a measure blocked in the Annex.

Second, no judgment of a court or tribunal, and no decision of an administrative

authority located outside the EU that gives effect, directly or indirectly, to the measure in the Annex, or to actions based thereon or resulting there from, shall be recognized or be enforceable in the EU in any manner. This is the main blocking measure.

Third, no EU person shall comply, whether directly or through a subsidiary or other intermediary person, actively or by deliberate omission, with any requirement or prohibition, including requests of foreign courts, based on or resulting, directly or indirectly, from the measures specified in the Annex or from actions based thereon or resulting therefrom. EU persons may be authorized, in accordance with the procedures provided in Articles 7 and 8, to comply fully or partially to the extent that non-compliance would seriously damage their interests or those of the Community.

Finally, an EU person shall be entitled to recover any damages, including legal costs, caused to that person by the application of the measures specified in the Annex or by actions based thereon or resulting therefrom. This is sometimes referred as the "clawback" measure.

What is the process now being undertaken?

Based on a 2014 amendment to Regulation 2271/96, the Commission now has power, delegated to it from the Council, to add measures to the Annex of 2271/96. The process by which it is to do this is as follows:

As soon as it adopts a delegated act, the Commission notifies it to the European Parliament and to the Council. That delegated act can only enter into force only if:

- no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and to the Council; or
- before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object.

The two-month period shall be extended by four months at the initiative of the European Parliament or of the Council.

We assume that the Commission has notified the Parliament and Council of the measures to be added to the Annex, and unless either party objects, or both agree to the proposal sooner, the additions will take effect after 2 months

What is the practical implication of the Blocking Regulation?

The reinvigoration of the Blocking Regulation is an unwelcome development as it is intended to put EU businesses between a rock and hard place. Unfortunately, the U.S. rock is far more compelling than the EU hard place, and very few EU businesses will rely on the Blocking Regulation to guarantee their ability to keep doing business in the U.S. and Iran.

The Blocking Regulation was of very little use in curtailing U.S. policy on Cuba, and almost certainly will not curtail U.S. policy on Iran. The U.S. financial system is now so important to global and EU businesses that it cannot easily be avoided. Even during the U.S. adherence to the JCPOA, all Western banks were reluctant to do business with Iran, because of the risks posed under U.S. law. This reluctance has now turned into positive dislike.

As noted above, the U.S. is also stressing the possibility of secondary sanctions, which in principle force non-U.S. businesses to choose between doing business in the U.S. and doing business in Iran. The revivification of the Blocking Regulation will not affect that choice.

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18. J. Reeves & K. Heubert: "A Primer on the Export Administration Regulations"

(Source: Reeves & Dola LLP Alert, 23 May 2018. Available via [jreeves@reevesdola.com](mailto:jreeves@reevesdola.com) [mailto:jreeves@reevesdola.com].)

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On May 14, 2018, the U.S. Department of State posted on its website

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOeMYugoCqXDUM0YLu8eooqd5pox64qT\\_-RuWz5a2Q7QBXRq3rJ-JXgvvnKBkd8jgHVZRSmlHPPhazl\\_AuhtVIW6FvUI8Boz3vOToqCG1RVCE1OZYVbsOsgoX2Ts3p6ZO1ScMYDwCw9jw08r2T\\_saPKOHJIVjMabPPTU3HWWShmwqAuL9njOeslu=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\\_I6z7EVGahHaahhQ==](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOeMYugoCqXDUM0YLu8eooqd5pox64qT_-RuWz5a2Q7QBXRq3rJ-JXgvvnKBkd8jgHVZRSmlHPPhazl_AuhtVIW6FvUI8Boz3vOToqCG1RVCE1OZYVbsOsgoX2Ts3p6ZO1ScMYDwCw9jw08r2T_saPKOHJIVjMabPPTU3HWWShmwqAuL9njOeslu=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)]

proposed rules to transition most firearms and ammunition off the International Traffic in Arms Regulations (ITAR) control list, known as the U.S. Munitions List (USML), over to the U.S. Department of Commerce's export control list, known as the Commerce Control List (CCL). The reason for the change is to revise the scope of the ITAR to control only those articles that provide the United States with a critical military or intelligence advantage or, in the case of weapons, are inherently for military end use. Such items will remain on the USML, while items no longer warranting control under the ITAR will be transitioned to the CCL and be subject to the licensing provisions of the Export Administration Act (EAR), administered and enforced by the U.S. Department of Commerce, Bureau of Industry and Security (BIS).

In anticipation of the official publication of the proposed rules, scheduled for May 24, 2018, we thought it advisable to offer an overview of the EAR. Once the rules publish on May 24, we will circulate an in-depth 3-part review of the proposed amendments to the ITAR and to the EAR and the potential impacts on industry. The following overview of the EAR is intentionally broad, and is intended to serve only as a backdrop to the proposed rules to transition most firearms and ammunition, along with certain parts, components, attachments and accessories, from ITAR controls to EAR controls.

Scope of Controls - Subject to the EAR  
Items - the Commerce Control List  
While the Department of State controls over exports, reexports, and temporary imports are confined to "defense articles" and "defense services" listed on the USML, the Department of Commerce controls over exports and reexports are much broader. The EAR, found in 15 C.F.R. Pts. 730-780

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdH4IF14ciKQINrStcK7imAYFAhctUcmbiq-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdH4IF14ciKQINrStcK7imAYFAhctUcmbiq-8xxW9VZmuKFnZCnX699SC_rEoG_NYSfMKfOrwutd00JpFQIBWr8L2PNcNNstvUY665CCy5UXPcEhu9P7HmwVSazWR9miy5LDFRYXholiwGcSVgjWqgjSbMxG6rYIV8dTF3Wx2JUJzJs6gzSAyugbSKO-GdT9RDxu9-vzdV&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

8xxW9VZmuKFnZCnX699SC\_rEoG\_NYSfMKfOrwutd00JpFQIBWr8L2PNcNNstvUY665CCy5UXPcEhu9P7HmwVSazWR9miy5LDFRYXholiwGcSVgjWqgjSbMxG6rYIV8dTF3Wx2JUJzJs6gzSAyugbSKO-GdT9RDxu9-vzdV&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==

control the export and reexport of "items" (commodities, software, and technology, each term separately defined in the EAR) and certain activities that are NOT exclusively controlled for export or reexport by another agency of the U.S. government which regulates exports or reexports for national security or foreign policy purposes, such as the U.S. Department of State.

Items subject to the EAR consist of the items listed on the CCL in Part 774 of the EAR

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoznhfM4P-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoznhfM4P-)

control the export and reexport of "items" (commodities, software, and technology, each term separately defined in the EAR) and certain activities that are NOT exclusively controlled for export or reexport by another agency of the U.S. government which regulates exports or reexports for national security or foreign policy purposes, such as the U.S. Department of State.

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[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoznhfM4P-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoznhfM4P-)

-

YAE8tV04Lj55CCm5bzjarXFKViicpC0rs1zvoNAeCyspSwmNws4T\_3Esslr8zZ4xUMAxftFPTQkYKFIQ2wnUuNqwb5KlBlwdGsli  
QJfyw\_Fu\_mMTdYAvs3TeDliv8BifExzjz0wWKG15Kt-U66lulxAhfJBL9J0Tzwzf1HKNLzUeAlsJfhn5qZYjcRIAqiVJ7lWw9b-  
URzNZ-FwcahOOmdJUe&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==],

and all other items that meet the definition of "subject to the EAR" in section 734.3. The CCL is made up of ten Categories that are further broken into Export Control Classification Numbers (ECCNs). An ECCN is an alpha-numeric code that describes an item or types of items and shows the controls on that item and available license exceptions. The ECCN is not a Harmonized Tariff Schedule (HTS) number, and is not a Schedule B number. To determine whether an item requires an export license from BIS, the exporter must know how the item is classified on the CCL.

As noted above, the CCL is divided into 10 categories, with each category subdivided into five groups, designated by the letters A through E as follows: (A) Equipment, assemblies and components; (B) Test, inspection and production equipment; (C) Materials; (D) Software; and (E) Technology. Within each group is where you will find the ECCNs that enumerate the items that are controlled on the CCL. The firearms and ammunition currently classified on the USML in Categories I, II and III that have been selected to transition to the EAR will be enumerated in new ECCNs created under Category 0 (nuclear materials, facilities and equipment, and miscellaneous items) and product groups A, B, D and E. We will review the proposed rules and the new ECCNs in detail in our forthcoming alerts.

Items subject to the EAR which are not listed on the CCL are generally designated as "EAR99." Often, items classified as EAR99 do not require an export license, but EAR99 is a classification, not a license exemption! Further, EAR99 does not automatically mean that no license is required. If the export violates any of the general prohibitions listed in EAR section 736.2, such as prohibited end-user, end-use, or sanctioned or embargoed country, a license is required.

The above discussion relates only to the question of what is subject to the EAR.

Being subject to the EAR does not automatically mean a license is required for an export or reexport. This is a separate analysis that we will examine below.

#### Parts and Components - De Minimis

Foreign-made commodities that incorporate controlled U.S.-origin commodities may also be subject to the EAR if they have de minimis level of U.S. content. What constitutes the de minimis level depends on the commodity and the destination country for the reexport, and may range from no de minimis levels (for items subject to higher controls), to 10% or 25% de minimis. The rules for calculating de minimis levels are found in section 734.4 of the EAR

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOY1GMA2iZPARqhdbv9olcNqbo8pJgFBUaudY6VvvSP\\_IKw3YGn3zl6BAX1XP12WeLXuSF3f3nxs13F0ts4UbcDAwATmtC5SniiWsPvHutkA\\_2cr33I\\_Kjp6Pyk9\\_jbBwA3hIbmlerg8eV3r5aRssna8yAMWq0KtOTN3MpTR9d2vPBOJTPs61gj1TK-DtGq4N-ZfBP5DLYqUDqZQefII9-1HhOgNXIxsQSDjhRPMUXNoQNrS5WV5Vn\\_I52gBT6FRrrNdWI-xoc5bB&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\\_I6z7EVGahHaahhQ==](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOY1GMA2iZPARqhdbv9olcNqbo8pJgFBUaudY6VvvSP_IKw3YGn3zl6BAX1XP12WeLXuSF3f3nxs13F0ts4UbcDAwATmtC5SniiWsPvHutkA_2cr33I_Kjp6Pyk9_jbBwA3hIbmlerg8eV3r5aRssna8yAMWq0KtOTN3MpTR9d2vPBOJTPs61gj1TK-DtGq4N-ZfBP5DLYqUDqZQefII9-1HhOgNXIxsQSDjhRPMUXNoQNrS5WV5Vn_I52gBT6FRrrNdWI-xoc5bB&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)].

#### Technology

The EAR defines "technology" as "information necessary for the "development," "production," "use," operation, installation, maintenance, repair, overhaul, or refurbishing (or other terms specified in ECCNs on the CCL that control "technology") of an item.

Each of the quoted terms are defined in Part 772 of the EAR

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOTE7YBmI5BMpFYmpE\\_N-68CnA5WDdNm24Bpof-iahn4A2uKVdszwn2edBX6J32JxF\\_avRg4ki1VP2XQ84JPHXL3wWIEHcxlbZ4vX\\_e7akNg8-8ZdoE8ybgzSsfxc2Z-\\_DCNK6jgSwGiYs7Mle\\_3SovSVOHA1VkZRp218obt\\_ZZEU2Qi\\_5ppU6cTBGjbUrSC8UZrOq4or9\\_iAF-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOTE7YBmI5BMpFYmpE_N-68CnA5WDdNm24Bpof-iahn4A2uKVdszwn2edBX6J32JxF_avRg4ki1VP2XQ84JPHXL3wWIEHcxlbZ4vX_e7akNg8-8ZdoE8ybgzSsfxc2Z-_DCNK6jgSwGiYs7Mle_3SovSVOHA1VkZRp218obt_ZZEU2Qi_5ppU6cTBGjbUrSC8UZrOq4or9_iAF-)

ma4Kw0cXfMkMcKhMvqbt8axN-XHL&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnHuDfsGIp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

EAR controls over "technology" are more narrowly focused than the ITAR controls over technical data, and apply in limited contexts. To determine whether the technology for an ECCN is also enumerated on the CCL, the corresponding "E" ECCN for the platform should be reviewed. For example, in the proposed rules for firearms currently in USML Cat. I, there will be a new ECCN 0E501 that controls technology for firearms and certain related items. However, the technology controlled would be that which is required for the "development" and "production" of firearms other than shotguns. This new ECCN also would apply the anti-terrorism and United Nations reasons for control (see below) to "technology" "required" for the operation, installation, maintenance, repair, or overhaul of such firearms. As the proposed Commerce rule explains, "controlling this "technology" under the EAR rather than the ITAR is appropriate because the "technology" for the "development," "production," operation, installation, maintenance, repair, and overhaul of the firearms to be described in 0A501 is widely available throughout the world and its possession does not confer a significant military or intelligence advantage on the United States."

It is important to point out that the EAR's carve-out from controls for published works or information in the public domain is much broader in scope compared to the ITAR carve-out for public domain. In section 734.7, "published" technology or software is carved out from EAR controls "when it has been made available to the public without restrictions upon its further dissemination...." For example, subscriptions available without restriction, libraries or other public collections open to the public and from which the public can obtain tangible or intangible documents, unlimited distributions at a conference, seminar, trade, show, or exhibition generally accessible to the public, public/unlimited distribution in any form, including posting on the Internet on sites available to the public. Many may rejoice over this, as the ITAR still does not recognize the Internet as being in the "public domain."

As further illustration of technology not controlled under the EAR, the BIS proposed rule cites the example of a gun manufacturer posting a firearm's operation and maintenance manual on the Internet, making it publicly available to anyone interested in accessing it and without restrictions on further dissemination. According to the proposed rule explanation, such operation and maintenance information included in that published manual would no longer be "subject to the EAR." Nonproprietary system descriptions, including for firearms and related items, are another example of information that would not be subject to the EAR.

#### Reasons for Control

The reasons for control for exports under the EAR include the following:

- CB (Chemical & Biological Weapons)
- NP (Nuclear Proliferation)
- NS (National Security)
- MT (Missile Technology)
- RS (Regional Stability)
- CC (Crime Control)
- AT (Anti-Terrorism)
- UN (United Nations)
- EI (Encryption Item)
- CW (Chemical Weapons Convention)

The specific reasons for control for a particular item is identified within each specific ECCN. Unlike the blanket ITAR requirement for a license to anywhere in the world, BIS license requirements are unique to each individual ECCN. Whether a license is required for a particular export will depend on the destination country.

### Licensing Under the EAR

Each ECCN is made up of four sections: a heading (description of the items controlled), the license requirements (including all possible reasons for control, such as AT, UN, NS, CC, and RS) the available license exceptions, and list of items controlled.

To determine the export and reexport license requirements for most items on the CCL, you must identify the reasons for control in the relevant ECCN and consult the Commerce Country Chart in Supp. No. 1 to Part 738

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoz0v-107VwZptp1-oOR8EFJ4Plc-DpguulA4whn2GYti5DZyqDh8gO-OZ3aw4YljUfl-2Ma77d3AmlqAG6-jmxiW52YH5jw5t5JVh4BvcxgwOe4AQ9vw8HtM-c0qlQQA2iquz\\_7i3h9Vnao-JVPWLEhQLW1JX7scXLMEPA6UYtKMQikbEahtH6GlyzpPpzblzkStYnSjgKc-grebu68b4aTMNUWo5r84gsWPs3tZXZB5\\_KXhDp2VO32L5z6-EAVeAjoY\\_oOggJuu8k=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\\_I6z7EVGahHaahhQ==](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txoz0v-107VwZptp1-oOR8EFJ4Plc-DpguulA4whn2GYti5DZyqDh8gO-OZ3aw4YljUfl-2Ma77d3AmlqAG6-jmxiW52YH5jw5t5JVh4BvcxgwOe4AQ9vw8HtM-c0qlQQA2iquz_7i3h9Vnao-JVPWLEhQLW1JX7scXLMEPA6UYtKMQikbEahtH6GlyzpPpzblzkStYnSjgKc-grebu68b4aTMNUWo5r84gsWPs3tZXZB5_KXhDp2VO32L5z6-EAVeAjoY_oOggJuu8k=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)]

to see whether the applicable reasons for control are checked for the specific country.

If so, then a license is required unless a license exception applies. Whether a license exception is available will depend on the ECCN and the Country Groups in Supplement No. 1 to Pt. 740

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOaHxZSEI--v1\\_d5yLD0tWJtdBaadJNZjhflh1AF-4VMmYLpt2irmdcU5QKCNIAH8xVEwT74IS30xzkrQtpOGMsztHTJyEFMfpo18QuTQGUDG3XBnLCs-HMbROH7S4XlCP\\_bN\\_Y9MzQtA1RM3rzL9CQ6vyLeJ55cOoiMJhsTcLMLyZ11X-D7LyBspTOiKMMYXRv-LI9HIn1hAF0bBeaZzEsrjpHSEQz88O3\\_186vsx38Ug7-SOWM=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\\_I6z7EVGahHaahhQ==](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOaHxZSEI--v1_d5yLD0tWJtdBaadJNZjhflh1AF-4VMmYLpt2irmdcU5QKCNIAH8xVEwT74IS30xzkrQtpOGMsztHTJyEFMfpo18QuTQGUDG3XBnLCs-HMbROH7S4XlCP_bN_Y9MzQtA1RM3rzL9CQ6vyLeJ55cOoiMJhsTcLMLyZ11X-D7LyBspTOiKMMYXRv-LI9HIn1hAF0bBeaZzEsrjpHSEQz88O3_186vsx38Ug7-SOWM=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)].

Unlike the ITAR, the EAR does not require registration of exporters (so no registration fee), and there are no fees to apply for licenses through the SNAP-R. In addition, unlike the ITAR, the EAR does not include a concept of "defense services," so there is no registration or licensing for the provision of defense services like there is under the ITAR.

The process for establishing a SNAP-R account is relatively easy, and no digital signature certificate is required. Further, unlike the ITAR, which contains several license forms depending on the transaction, the EAR prescribes one single form for each type of export (permanent, retransfer, reexport).

### Covering Items Subject to the EAR on DDTC Licenses

With the rewrite of Categories I, II, and III, DDTC will add a "Paragraph (x)" to each of the revised categories. This paragraph has been added to all other USML Categories as they have gone through the rewrite process, and allows for the export of items subject to the EAR under ITAR licenses so long as the conditions of paragraph (x) are met (see ITAR §§ 120.5(b) and 126.6(c)). These conditions include:

- (1) An ITAR license may only include items subject to the EAR that are for use in or with the listed defense articles;
- (2) The purchase documentation must specify both the defense articles with the items subject to the EAR (no separate purchase orders breaking out the defense articles from the EAR items);
- (3) The exporter must ship the EAR items together with the ITAR articles; and
- (4) Items subject to the EAR that are included on an ITAR license do not lose their jurisdictional status as EAR-controlled items and remain subject to the EAR for any subsequent transactions.

In light of the last requirement, it is incumbent on the U.S. exporter to properly educate its customers and end-users when using an ITAR license for both defense articles and EAR items to be used in or with the defense articles. In the event the end-user need reexport approval, the approval must come from BIS for items subject

to the EAR, not DDTC.

Below is a reference chart comparing some aspects of the EAR to the ITAR.

ITAR

EAR

Statutory Authority

Arms Export Control Act

Export Administration Act of 1979 50 USC 4601-4623 [lapsed]

Federal Agency

U.S. Department of State, Directorate of Defense Trade Controls

U.S. Department of Commerce, Bureau of Industry and Security

Citation

22 C.F.R. Pts. 120-130

15 C.F.R. Pts. 730 - 774

What is Covered

Export, reexport, and temporary import of "defense articles" and "defense services"

Items subject to the EAR

Control List

U.S. Munitions List

22 C.F.R. 121.1

Commerce Control List

15 C.F.R. Pt. 774

Registration Required?

Yes - manufacturers, exporters, temporary importers, and brokers of defense articles and defense services. Annual fees apply. Manufacturers of defense articles must register regardless of export activity.

No

License Portal

D-Trade

SNAP-R



Fee for Licenses

Yes - rolled into registration fee

No

Types of Licenses/ Authorization

Several types/forms - permanent export, temporary export, temporary import, agreements, brokering

One form for export, Reexport, In-Country Transfer

Brokering?

Yes - 22 C.F.R. Pt. 129

No - but see proposed rules for Cats. I-III

Technology Controls

Yes - "technical data" licensing and "defense services" licensing

Yes, but not as broad as ITAR; EAR controls only transmission of technology, so no EAR concept of defense service

This overview of the EAR is the first installment of a four-part series on the proposed rules to transition firearms and ammunition from the USML to the CCL. Our next alert will examine the transition of certain firearms and their parts, components, accessories and attachments from USML Cat. I items to the CCL. Please stay tuned.

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19. L. Luo: "Minefields in the U.S. Export Control System" (Part II of II)

(Source: King & Wood Mallesons

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZmQVrsSwiVaFqZC1y3QTY8Alrqa4ncmmli8irYadl\\_1yPY-ghjTYfZC\\_cRnvTcAmSXxUCKK0IU3s8Rh-Wm964mxI3dNCJSRKb0\\_lu4r-K5ZsZfUpwKXW7gVbBKw4SkDOP0lizgPeyMoJG8MLHTDk-Fy9nFCvdCX7MELo8pPDasN1PiTE8mLN8-NbA1Hkx-wiBtDKQAgugKyUMsrarBLUngYgnOINxyqKg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\\_I6z7EVGahHaahhQ==](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZmQVrsSwiVaFqZC1y3QTY8Alrqa4ncmmli8irYadl_1yPY-ghjTYfZC_cRnvTcAmSXxUCKK0IU3s8Rh-Wm964mxI3dNCJSRKb0_lu4r-K5ZsZfUpwKXW7gVbBKw4SkDOP0lizgPeyMoJG8MLHTDk-Fy9nFCvdCX7MELo8pPDasN1PiTE8mLN8-NbA1Hkx-wiBtDKQAgugKyUMsrarBLUngYgnOINxyqKg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)], 14 May 2018.)

\* Author: Laura Luo, Partner, [Laura.Luo@us.kwm.com](mailto:Laura.Luo@us.kwm.com) [mailto:[Laura.Luo@us.kwm.com](mailto:Laura.Luo@us.kwm.com)], King & Wood Mallesons, New York.

[Editor's Note: due to space limitations, this item has been divided into two parts.

Part 1 was published in the Daily Bugle of Wednesday, 23 May 2018.]

On 15 April 2018, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) issued a denial order against a Chinese telecommunications company (hereinafter referred to as "Company Z"), and added the company to the "Denied Persons List."

The case of Company Z's violation of U.S. export control, which has lasted for years, again came into the spotlight and raised public concern over the U.S. export



control system in China.

The Export Administration Act (hereinafter referred to as "EAA") came into force in 1979. Since then, the U.S. has adopted the most rigorous export control system in the world. Meanwhile, for a long time, many Chinese enterprises lacked awareness of the U.S. export control system, which made them key subjects of U.S. export control investigations. In the United States, China became the second target country of criminal investigation on export control as early as in 2014, just after Iran. [FN/1] In view of this, the Customs and Trade Compliance Team of King & Wood Mallesons (hereinafter referred to as "KWM") will enumerate key issues in the U.S. export control system that concern Chinese enterprises based on the in-effect statutes of U.S. export control and published PRC-related cases. As the first of a series of articles, we will review the "minefields" in U.S. export control frequently encountered by PRC enterprises. ...

How to Cross the "Minefield"

In front of the rigorous export control system of U.S. and the multitudinous risks from it, we suggest that Chinese enterprises could take the following three solutions to cross the minefields:

Plan A: Clearing the Minefield in Advance --- Establishing a Comprehensive Export Control Compliance System

Subject to the strict U.S. export control system, the tricks for circumvention always invite humiliation to itself. In order to mitigate the risks, the best approach is to improve the internal export control regulatory system and operate it effectively. In general, a comprehensive export control regulatory system shall cover the following aspects:

Know your products

Know your activities

Know your Customer

Judge whether your products are U.S. items;

Judge whether your products are listed-control items;

Judge whether your activity is export, deemed export activity;

Judge whether your activity is re-export or transfer in country activity;

Judge whether your activity is assistance to client's export

Judge whether your client is sanctioned or controlled;

Judge whether the destinations of the commodity is a sanction area;

Judge whether the end use of the commodities is controlled

In the event the enterprise is not able to make such judgement, or the circumstance is in emergency, pursuant to the relevant regulation of EAR [FN/11], the enterprise may communicate with BIS to seek for supports and guidance from U.S. authorities.

Plan B: Self-Rescue After Stepping Into the Minefield --- Voluntary Disclosure

Once the enterprise realizes the risk of violation of U.S. export control occurs, don't be flustered. Pursuant to the relevant regulation of EAR, BIS encourages voluntary disclosure of violations. [FN/12]

Typically, the exporters shall submit an initial notification to OEE prior to OEE discovers such violation facts. Within 180 days of the initial notification date, the export shall submit a narrative account to OEE. After received the narrative

account, OEE will exercise its discretion based on the disclosed facts on the following issues:

- (1) Whether the disclosed the activities violate the EAR;
- (2) Whether the disclosed parties have adopted corrective measures.

In most cases, OEE will only issue a warning letter, especially for negligence violations and mild compliance defects without of aggravating circumstance, such as intentionally violation. According to the statistics of BIS, in fiscal year 2015, BIS accepted 382 voluntary disclosure reports, while only less than 1% of them were settled by administrative punishment. [FN/13] Even if the administrative punishment is inflicted, the voluntary disclosed exporter still could enjoy a 50% reduction of punishment on fines granted by OEE in general. Under some circumstances, fines and other administrative punishments during the probationary period will be further reduced or suspended in consideration of the voluntary disclosure.

#### Plan C: A Shortcut for Escaping the Minefields --- VEU Program

In 2007, BIS established the "Authorization Validated End-User" (VEU) program for China and India companies in particular. The authorized VEU in China are permitted to accept certain controlled items from U.S. by means of export, re-export and transfer without a license. Pursuant to the relevant regulations of EAR, [FN/14] any entity in China or India may apply for VEU status, but the applicant shall satisfy the following criteria:

- (1) Having a comprehensive internal export control system;
- (2) Having a strict management of the operation place of controlled items;
- (3) Complying with the record-keeping requirement set forth in EAR;
- (4) The controlled items shall only for self-use purpose;
- (5) The re-export or transfer of controlled items shall be approved by BIS.

As of now, there are 11 authorized VEU enterprises in China. [FN/15]

Although authorized VEU enterprises may face some restriction in daily operation, such as items controlled by MT and CC reason are not allowed to export under VEU, the import-controlled item shall be used in certain eligible place, etc., it is still a fast pass for Chinese enterprises to cross the minefield of U.S. export control system comparing with the heavy work on application, verification and assessment for export control license application to other enterprises.

#### Conclusion

Indeed, the export control system is an important tool for the United States to implement its global strategy and it bothers a large number of Chinese enterprises participating in International trade and foreign investment. But on the other hand, it is also a touchstone for Chinese enterprises to enhance their awareness of trade compliance. In June 2017, MOFCOM issued an exposure draft of the Export Control Law of PRC, wherein many principles that have been implemented in the U.S. for years were introduced into China for the first time such as catch-all rules, country assessment chart, control list management and end-user verification, etc. A perfect statutory system of export control will undoubtedly be a major driving force for China to initiative the Belt and Road strategy, and enterprises with a competitive trade compliance system have a head start in this new era.

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[FN/1] See here

[http://r20.rs6.net/tn.jsp?f=0010hmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZmQVrsSwiVaWsgfSD8hRDdLM2guY0uz6lpPsDKH1DVFla3bLsFcmw2KMAU3\_NbGKYPqMUNyTNIaDeXbALBm46Zuaf8R-9JlStX-N953XZkXFOGO4N1fhRJpBAb0fupgnfijgD7JyrHfwr2Pp2XKGNorBD3YMvsevNBhr2eMeadSrx7HiRycvoeNyqNoWftOSYdqwUKsXgrEQ655rJvKuJeqg5d2LCs7rhkdrVqgacVigCfvaQxd5rxhFalwyDZORdmU2AwjoFkUKWJaaDs8VvX5uhojWipiedWj8hr8zmzcyBvyZq4AOJ-J5aH9M1mkUOi0oJalFlxRTXcGdmv2GvxFnSDNaU1kt11qo5X4DYsYo9awSPLRo1hS--

ifWU5XRVAf3SGEWMY&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

...

[FN/11] 15 C.F.R. Part 748.3.

[FN/12] 15 C.F.R. Part 764.5(a).

[FN/13] "An introduction to the Consequences of Violating US Export Control Law".

[FN/14] 15 C.F.R. Part 748.15.

[FN/15] See here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozCVSIktj\_MZwtVn8OOIharz6KhxED122wJWZ76luhKZQ3ITMaZegOXhZOn1t-Avg-Nm7aY8HeEdBGhqmdun6uCoVsqwbeGewmi7JwrYJj5qDYDQRRAX2\_JO5kY6yMrcW1GKjue5FdW-W665otM1UgFNQUWY2yzzoWiOYwZB8\_OCvhNEu7\_zB3wdzubPnB-d0JouD2phYxcn5hAqtQZebYSqIz9ziaglvUP4hJXC4N-tpAgS2qTFvqtvEGqb4z-dGeeE0gARNcAI1AcQIWOMkQYSIvN4OV50oxU1T-SQv9krw=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

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## 20. Gary Stanley's EC Tip of the Day

(Source: Defense and Export-Import Update; 23 May 2018. Available by subscription from gstanley@glstrade.com [mailto:gstanley@glstrade.com].)

\* Author: Gary Stanley, Esq., Global Legal Services, PC, (202) 352-3059, gstanley@glstrade.com [mailto:gstanley@glstrade.com].

ITAR § 125.5(c) provides that a license is not required for the disclosure to a foreign person of unclassified technical data during the course of a plant visit (either classified or unclassified) approved by the Directorate of Defense Trade Controls or a cognizant U.S. Government agency provided the technical data does not contain information in excess of that approved for disclosure. This exemption does not apply to technical data which could be used for design, development, production or manufacture of a defense article.

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## EX/IM TRAINING EVENTS & CONFERENCES

### 21. ECS Presents "ITAR/EAR Boot Camp (Seminar Level I)" on 12-13 Sep in Annapolis, MD

(Source: S. Palmer, spalmer@exportcompliancesolutions.com [mailto:spalmer@exportcompliancesolutions.com].)

\* What: Seminar Level I: ITAR/EAR Boot Camp, Annapolis, MD

\* When: 12-13 September 2018

\* Where: Chart House Restaurant on Spa Creek

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOU7fk6KiDFqeVmKuwK58dmrMT04xzA6JfLZeIK22f4UpTBYsvrtzCX\_WCgEGT-0eyDFoWTewKpDrvEJiR-FyHvcNWrr2Jwpbntbu7nR7EBXe\_PE04kxXKeFUe3eV9o8QVDq6c3Y-

\_9TwtEx8VeAm8a1zf\_zPDIslVSA==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVfbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]

\* Sponsor: Export Compliance Solutions (ECS)

\* ECS Speaker Panel: Suzanne Palmer, Mal Zerden

\* Register:Here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOXqtGmSG9fCvgBivUufFhfjVc1ldSo3stnhm3X7-u2J9d\_NH9P0RdPzBopM0lslAiE0GZGknSXXYAU3GuLvGskLgZPwwxtvRsHoMayBpVKT6RbW6gVG0LITcqdEOxuz\_I\_xyq46SVta7OIVe\_58CDYoLRb-Vyuvkh-9yl8FR2NyyCmvuvHmNsoMUXQFatHe\_TLNNS3Z86fSLA-TdfvPmXUo=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]  
or by calling 866-238-4018 or e-mail  
spalmer@exportcompliancesolutions.com [mailto:spalmer@exportcompliancesolutions.com].

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## EDITOR'S NOTES

### 22. Bartlett's Unfamiliar Quotations

(Source: Editor)

\* Benjamin N. Cardozo (Benjamin Nathan Cardozo; 24 May 1870 - 9 Jul 1938; was an American lawyer and jurist who served as an Associate Justice of the Supreme Court of the United States. Cardozo is remembered for his significant influence on the development of American common law in the 20th century, in addition to his philosophy and vivid prose style. At age 15, Cardozo entered Columbia University, where he was elected to Phi Beta Kappa, and then went on to Columbia Law School in 1889. When Cardozo entered Columbia Law School, the program was only two years long; in the midst of his studies, however, the faculty voted to extend the program to three years. Cardozo declined to stay for an extra year, and thus left law school without a law degree.)

- "The Constitution overrides a statute, but a statute, if consistent with the Constitution, overrides the law of judges. In this sense, judge-made law is secondary and subordinate to the law that is made by legislators."

- "There are vogues and fashions in jurisprudence as in literature and art and dress."

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### 23. The Daily Bugle Updates Privacy Policy to Comply with EU's GDPR

(Source: Editor, 24 May 2018.)

On Friday, 25 May 2018, EU Council Regulation 2016/679, the EU General Data Protection Regulation ("GDPR"), will come into effect. This Regulation requires new rules concerning the processing of personal information of natural persons within the European Union ("EU").

To comply with the GDPR, Full Circle Compliance ("FCC") has updated and extended its Editorial Policy and Privacy Policy. Our updated policies outline what data we use and for what purpose. We encourage you to take a look at our updated Editorial Policy

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOeNleHclBOEv\_PADUw4M3lv8YgDw3gQJCFa3GFUg9G-u44XZZs7Xt5fFrez6aMWbrleAHGISji6iMN2LsA4U0L4jgiS13mdV-TOKNhCjITrhV3VfTdSLT-vkFkTX95M-Vzp-1szFShW5ApdCJ6rO7gP50C5nZcupSQtmMwdxPbu9&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]

and Privacy Policy

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOZUG8ga5txozQrGjwTch9SZpchr3c4xFlNhr-RANvvbmGJ4KwPuPPnd\_ooZUUmgbNShQKvX8WTPPh4jsdUMvIvS\_NI15p8Vkv4xL\_OEmWFtq1FP-1qps4ejFwvkiGIAATJhBUyfPxHI9OsPqj5Y4o4SvrWSRgm\_t0NZwfTK-aYlvmajOTt9u7lFlp8MQwYUscI03GO83kBgBuJvYp\_IX0nSrW6w3VQ==&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

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You may ask FCC to remove your personal information at any time by sending an email to email to GDPR@fullcirclecompliance.eu [mailto:GDPR@fullcirclecompliance.eu], which will remove you from the Daily Bugle subscribers list.

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#### 24. Are Your Copies of Regulations Up to Date?

(Source: Editor)

The official versions of the following regulations are published annually in the U.S. Code of Federal Regulations (C.F.R.), but are updated as amended in the Federal Register. The latest amendments to applicable regulations are listed below.

##### \* ATF ARMS IMPORT REGULATIONS

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT9S1W-ct1EjfgCrdA7U5\_o0FMx0B7lp2b7xsLBrMYFX175TNStd-S3sBkEIYhCI4Jxj3h9HOM\_9r5LZV5LTxof56zhxj\_x6CjJDTq4GwWSUflmNf2C4fTeLZCFmE5ZzMPGAPpscEDa49jyQV3D3BV\_G\_1D3Bd6mcBK52OfOZGuOhcTIFpeJlr1dlt6e1s7E3w96mIC03WVKkvmzZpm-KzUh5kk4r3umawvjoOATGNS8PDNPvSDGKLPeJldUvJwN9BTVfzAOYEw6p26bcS5ZpZXTXCDxQA44Q==&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

27 CFR Part 447-Importation of Arms, Ammunition, and Implements of War

- Last Amendment: 15 Jan 2016: 81 FR 2657-2723

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOUzeYDhnampvszAU9JsF4qHFs832P3cxGAQ1GfWE-RYl6pHnPu5valrBcfKkcoV3kyUf5dCAimsDL4TxNUQ1-6aNkg76HEwqYA4apbtzPoFa6MYITV4wSDt02yRC8Ebln0\_aXoJE8TR8t73GMy\_N8P\_-v0S6WkfRQ2eixrw-Y9ZrOnVPD\_qeCHA=&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

Machineguns, Destructive Devices and Certain Other Firearms; Background Checks for Responsible Persons of a Trust or Legal Entity With Respect To Making or Transferring a Firearm.

##### \* CUSTOMS REGULATIONS

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT9S1W-ct1Ej8o6xG\_UikPQ--tOf2dLhgex6XmGxoZaDMLkPnNzD599xR8QLvY2UmCreNEeeUXipHbJqcZu3w5P59ByEmJaZIR7GE-jZMHkVVMBi5Ci1q1L7T2TsBzIDRGgJfOvQUbeGgbOFhCgFj3\_qP\_w5r403O8Ur8LGHKxTuw6ZssBVvfkJnJmMr7DHI6AZvJMSlosD7VD8aOAj7HjnxRLCW5WCg5pzSeXrCW6eTt4iReo9\_lIOEs-FG-9rl7dmFhmJR&c=c6Ml3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqba-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

19 CFR, Ch. 1, Pts. 0-199



- Last Amendment: 12 Apr 2018: 83 FR 15736-15740

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQORppmY5x3\_AW5bnutV7TfLidYDWuwfEYGG2C2yYObt41H1zTjX5kt27guHw1vHjL0F0PQsW3fXP\_\_7HFurliPfezvpEDK93ZDeXltXzbLN6TMnnYduqPpfsAPc0c2aaZD\_TFCwwR0Cqs8C\_rd44u8195DGgRxpupO7ULfdpApjQ6jPbtXhx9w=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:  
CBP Decision No. 18-04; Definition of Importer Security Filing Importer (ISF Importer)

\* DOD NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL (NISPOM)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOY2a91kl\_EmE2EESoy7WRIF3Ykc7CRhplVnLSN70mxSIX6qkiFWKS0Zzd2S1tT1dIUAswW7uMWSdDCXn\_yL7g5tjZ1xmH5Zi5I0iG4NbPfilgO-ftNF18RhBwzhTmfAf7hDdulY0tc1Ny73f3pc4k8W1pt3riCZJ6g==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:  
DoD 5220.22-M

- Last Amendment: 18 May 2016: Change 2

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOY2a91kl\_EmE2EESoy7WRIF3Ykc7CRhplVnLSN70mxSIX6qkiFWKS0Zzd2S1tT1dIUAswW7uMWSdDCXn\_yL7g5tjZ1xmH5Zi5I0iG4NbPfilgO-ftNF18RhBwzhTmfAf7hDdulY0tc1Ny73f3pc4k8W1pt3riCZJ6g==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

Implement an insider threat program; reporting requirements for Cleared Defense Contractors; alignment with Federal standards for classified information systems;

incorporated and cancelled Supp. 1 to the NISPOM (Summary here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOUJqlkkisg4xmmShCHHyhg5dGAieVqq-cqBbCPeewWG91B4kntmGh4mnKvMBm8XjO25RTugZsaFTf1zLaKjLMOpdyG5y\_zM0Y4CVvtWay22kfHpoNcERUtVY6D5sqVdGLBk-4LR7ipb-ZcQL896ro96mtPKqnXJaeELiHArPWSPL&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].)

\* EXPORT ADMINISTRATION REGULATIONS (EAR)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOUJqlkkisg4xvcv2WR9uKXrb1RKfHetcgy-XNh1p8i1FXMBXeE5TCaP1X9hvVwlw5eE9qnvgyQez-tlIF\_S23k0iEfSHqzw1M2cieeA4Uo8EORYGsqSnScnlpBTGN7ibjVo5pzG8t\_ZOv23mHi8\_8V\_CfY1MQIHCUlOUnu-xpDo4bVuba9HvojtbRRGouQLhy3-C0cEjnxzyZcTgw\_oakbstlNWhgiS4C3soe5gvuvYrkp3g1XvRM2s9KSN4ZPQEGeXw7WMco5ZThUnczL6yjE=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

15 CFR Subtit. B, Ch. VII, Pts. 730-774

- Last Amendment: 17 May 2018: 83 FR 22842-22846

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT3LgbhwQUhzcG0OTZ-Zu-

wHYVcihuoBbOWTloEuL4\_tEyBAJSZKxm7uJUGlmSqlJVOS4u1B81YGyyup8pyZfWlag2V1NetxgPxRPRPK1fytsiOiEHJNazK-nap6KvCES-

ceCOT9ZYQUsg0d9mGK2UUzQVlqgTLg6WKXN7J3noEBxBxt71zMQCM=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

Revisions to the Unverified List (UVL)

\* FOREIGN ASSETS CONTROL REGULATIONS (OFAC FACR)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT9S1W-ct1EjQ9xDKqDky4zrsqQdZbRDOJ2CegOGK5f86yEfN0DiS8g9U-

S9sA5\_tpMDAZGG\_MhK6vAoCemn7ylaKxTHDui1QbqFPXZgqfLED9gN5MgYcTiVpSP6rBAbuVpa9FXVkstF-

ruai9bPcfEtYh2vHpJ4WFRXF64luxockejwo-jzLuSrlkYglvzYaH2Xea3lBFMesNP-

XV7yEm5JK3IS4QiGt5WKv4C4KHLdqxASN5Ed6sU4yMCKBOxaohwsTVC2dqSD&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

31 CFR, Parts 500-599, Embargoes, Sanctions, Executive Orders

- Last Amendment: 19 Mar 2018: 83 FR 11876-11881

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQORIMtkv1ZPxBkzqEu5x

k-dubAVrEgUAxtjRGZsv23e3KqsRbpSeJ2x3W38e2XKpP4ABS8GZ-flk03ubGlzSm-  
CoYqyEuuzr7OAJRotSQKvYj89IAT1ipxScOHs0NvGFDXUlvMbfPulrnUtqIFU-plsi\_hYP20lkWw46sjN34l5l6BYkz94O-  
Ouo=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

Inflation Adjustment of Civil Monetary Penalties

\* FOREIGN TRADE REGULATIONS (FTR)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT9S1W-  
ct1EjPVUJaJtFTDC73RmRMVQwI8Pjaqh9PTZS0XqnQk\_maBw6-9vzGx6UWkrRxAgzqxIX9JbjBhceQVv-  
gfQj9ngFu30SpIO7DqReP6Rckjy\_pdaIN\_OYkTyjoouFz61MBuykoWwFETmW-  
mrfe8mAbQ06tf43oufW8dAlj2165pWtd9RnQWp1VvZjR7GkgIXUyulzpXTSPk2XDjWLP9EZkKFBhJK0ykCWK7HQOdfsDRCT  
M7YYjBFTUIdyoyPir5vTGOHHE7bAbyNQn8=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

15 CFR Part 30

- Last Amendment: 24 Apr 2018: 3 FR 17749-17751

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOfz7kbeRW11ZS0\_UTC  
if8eGe3xg8f-OlPS05ZgMsrek2eGpokfokwogul3ocZRzwHUaHeo17MYU0S0FOVyBpD\_zZZZFsOr8-e-tY-  
7gME2iQ95Q4rR49Lw-

lxsFhvp1ipivWg4PD7QS\_8\_UoiJbSldUs6voFcplrxRZppCLKNmE9xDGViwDPs4=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXR  
Fw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

Foreign Trade Regulations (FTR): Clarification on the Collection and Confidentiality

of Kimberley Process Certificates

- HTS codes that are not valid for AES are available here

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdjlkqUZGviOhJnBstlvs  
qUWcBfrRLjWP1ldN9vhde24UkzwNhsJjqK45dVKx72JfPnddW2U-UxqHIPQqE2TUJEMLuacbB-  
3EB\_czoRJKaTZepjVdwcadN\_nufw8MN8NMOROL6rCGfJHkf1qR4INSJ2g7EIYkNnh5EnJAlgY9n1iYikLoT1oOe73Pe-  
Bf4M0M0TePx-7Hyh&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

- The latest edition (30 Apr 2018) of Bartlett's Annotated FTR ("BAFTR"), by James  
E. Bartlett III, is available for downloading in Word format. The BAFTR contains  
all FTR amendments, FTR Letters and Notices, a large Index, and approximately 250  
footnotes containing case annotations, practice tips, Census/AES guidance, and explanations  
of the numerous errors contained in the official text. Subscribers receive revised  
copies in Microsoft Word every time the FTR is amended. The BAFTR is available by  
annual subscription from the Full Circle Compliance website

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOXY6flrz7yQ8rdBeXkv9  
VHGcHiZl1Qa1oX9FAI5aRZqDutp1GsaWjakMcocOuxXsVzBizhQkPF3V0clfsMcpiDQlaYjzfEYVYnx6z-  
EApdv1TiCHVrn1Q0bqet9EZwGtNRZtINAiEE2j&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

BITAR subscribers are entitled to a 25% discount on subscriptions to the BAFTR.

Government employees (including military) and employees of universities are eligible  
for a 50% discount on both publications at [www.FullCircleCompliance.eu](http://www.FullCircleCompliance.eu)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOaWlo3o89gVAtXhAX3  
m31JFkkfARI1leaxfkYguPv6XaqGGiYBSxsDlk2BTO55F3WceM7jWkHZGloUuhMok5TVLKwD3q1zj0dY6U\_6KNKolyrVXxSOz  
A1Efv7kq6qxTDNg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

\* HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTS, HTSA or HTSUSA)

[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOblzFWz9Y-  
7IDgt2KYAF3SI\_w7rPF0PAGzIFhgXBXXCKQtDG2p8mP85MeodyoiBegFg2zSsijDX4zu1VuiwQoAn8KA9UQc-  
TiuU1OGdw8TkWh1O9pjU9Jfsb3Fmelyp9Ag==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-  
BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==],

1 Jan 2018: 19 USC 1202 Annex. ("HTS" and "HTSA" are often seen as abbreviations

for the Harmonized Tariff Schedule of the United States Annotated, shortened versions



of "HTSUSA".)

- Last Amendment: 4 May 2018: Harmonized System Update 1807

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOYzh38x8Cx8EMmsh5sFoMWmT7QteZCoEuGv3aSAjNPgRpMYLfZ3ZAR7htFbsNfMXgKjOgYgCZjbphHFJM5ewhHj1JUhf1hQX93em8lg8ieAcGjgL1BFR9gqnh8T5\\_DRFKADfny9yF4as7xAbK007vttaq2SMvrZ3133xL71frroUkqEr-AQe585P9zMSfihgwTaEHP2QQooNSusrl-KXF5myyTGpgdlvit9dYs-soB-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOYzh38x8Cx8EMmsh5sFoMWmT7QteZCoEuGv3aSAjNPgRpMYLfZ3ZAR7htFbsNfMXgKjOgYgCZjbphHFJM5ewhHj1JUhf1hQX93em8lg8ieAcGjgL1BFR9gqnh8T5_DRFKADfny9yF4as7xAbK007vttaq2SMvrZ3133xL71frroUkqEr-AQe585P9zMSfihgwTaEHP2QQooNSusrl-KXF5myyTGpgdlvit9dYs-soB-SV1dGO_dZhaKLDXNVZPBhCd98cuUVII&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

SV1dGO\_dZhaKLDXNVZPBhCd98cuUVII&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==],

containing 289 ABI records and 60 harmonized tariff records.

- HTS codes for AES are available here

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdoeF9HhETVA5gGUC HQWYiTqmbJRBcmgiV3S1wtd\\_6ALvDcWMI-UIhHyowD\\_-O84rJ4A\\_eHDKL9F-9Brd-RDWr3Q\\_\\_tdFQhyYwBK6kNvGkxCz3NEnUYyYoQhuuXRyyES5btXGi9jGwAE\\_Hc-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdoeF9HhETVA5gGUC HQWYiTqmbJRBcmgiV3S1wtd_6ALvDcWMI-UIhHyowD_-O84rJ4A_eHDKL9F-9Brd-RDWr3Q__tdFQhyYwBK6kNvGkxCz3NEnUYyYoQhuuXRyyES5btXGi9jGwAE_Hc-n_sc0o0hBsolcU3cTT03wvPUIF792pzUiBs8FHdWMuW1UdHywUsx2RnOfaoL&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

n\_sc0o0hBsolcU3cTT03wvPUIF792pzUiBs8FHdWMuW1UdHywUsx2RnOfaoL&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

- HTS codes that are not valid for AES are available here

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdjlqkUZGviOhJnBstlvsqUWcBfrRLjWP1ldN9vhde24UkzwNhsJqK45dVKx72jFpNddW2U-UxqHIPQqE2TUJEMLuacbB-3EB\\_czoRJKaTZePjVdwcadN\\_nufw8MN8NMOROL6rCGfJHkf1qR4INSJ2g7ElykNnh5EnJAlgY9n1iYikLoT1oOe73Pe-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOdjlqkUZGviOhJnBstlvsqUWcBfrRLjWP1ldN9vhde24UkzwNhsJqK45dVKx72jFpNddW2U-UxqHIPQqE2TUJEMLuacbB-3EB_czoRJKaTZePjVdwcadN_nufw8MN8NMOROL6rCGfJHkf1qR4INSJ2g7ElykNnh5EnJAlgY9n1iYikLoT1oOe73Pe-Bf4M0M0TePx-7Hyh&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

Bf4M0M0TePx-7Hyh&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

\* INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)  
[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT9S1W-ct1Ejs4iTbcknD6QrGZZisXg8uP568fJwMtPliikWpM\\_ukFklgBg\\_X7hM1rqSzKrDke3sqCFOjOsJGNHhd3s424Cbha\\_OrmEd6VN-ljLbLnzcnCcPIHtZzVDdYoNjKauvg19lkiEDARAbNPbVCoYD1\\_ZrHEW-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOT9S1W-ct1Ejs4iTbcknD6QrGZZisXg8uP568fJwMtPliikWpM_ukFklgBg_X7hM1rqSzKrDke3sqCFOjOsJGNHhd3s424Cbha_OrmEd6VN-ljLbLnzcnCcPIHtZzVDdYoNjKauvg19lkiEDARAbNPbVCoYD1_ZrHEW-U8iPEMUYbyG3EmWJQwcu8NoOllXxdTnlyWnquCVtttQ6pLIJ6Hgf6dJ0VwSDDoHnXLQjksiMr34RvAOdj-_2qzLYi6szLiwSYbYuVno2&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

U8iPEMUYbyG3EmWJQwcu8NoOllXxdTnlyWnquCVtttQ6pLIJ6Hgf6dJ0VwSDDoHnXLQjksiMr34RvAOdj-

\_2qzLYi6szLiwSYbYuVno2&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

22 C.F.R. Ch. I, Subch. M, Pts. 120-130.

- Last Amendment: 14 Feb 2018: 83 FR 6457-6458

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOadcn\\_RIIHylyETW5k7emFif2h3iKx-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOadcn_RIIHylyETW5k7emFif2h3iKx-zwNnPWFC8fWrit1w3wPYuWPVy8pMmcg7WYOhJ8X0PBnH3qp_3ejRkvdhWxnMOFQtmyTt3bigMcZqvBaTWb8hrLV-qQdtz4lqJj2RTnoqXHIUTE1adb5OkOAimUo9WEdMyyKe41LP-Y_Ec_E7re7lrDI=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

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Y\_Ec\_E7re7lrDI=&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==]:

Amendment to the International Traffic in Arms Regulations: Addition of South Sudan

[Amends ITAR Part 126.]

- The only available fully updated copy (latest edition: 25 Apr 2018) of the ITAR

with all amendments is contained in Bartlett's Annotated ITAR

("BITAR"), by James E. Bartlett III. The BITAR contains all ITAR amendments to date,

plus a large Index, over 800 footnotes containing amendment histories, case annotations,

practice tips, DDTC guidance, and explanations of errors in the official ITAR text.

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from the Full Circle Compliance website

[[http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQObdyaXjDqCYwWD9OZb4-nLh28nuwkN6Yrgcs7cky\\_H5d8r33CdGdweTOhmfb8uXtNZLIV\\_xhn2Vgh-mX\\_ey5OeR587GmdW81eh1rpA8oHh-](http://r20.rs6.net/tn.jsp?f=001OhmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQObdyaXjDqCYwWD9OZb4-nLh28nuwkN6Yrgcs7cky_H5d8r33CdGdweTOhmfb8uXtNZLIV_xhn2Vgh-mX_ey5OeR587GmdW81eh1rpA8oHh-OPWOAqSV97faHIEVWYgtKvQ==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)

OPWOAqSV97faHIEVWYgtKvQ==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-

BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\_I6z7EVGahHaahhQ==].

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## 25. Weekly Highlights of the Daily Bugle Top Stories

(Source: Editor)

Review last week's top Ex/Im stories in "Weekly Highlights of the Daily Bugle Top Stories" published here

[[http://r20.rs6.net/tn.jsp?f=0010hmLtSjzJ\\_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOaWlo3o89gVAtXhAX3m31JFkkfARI1leaxfkYguPv6XaqGGiYBSxsDlk2BTO55F3WceM7jWkHZGloUuhMok5TVLKwD3q1zj0dY6U\\_6KNKolyrVXxSOzA1Efv7kq6qxTDNg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK\\_I6z7EVGahHaahhQ==](http://r20.rs6.net/tn.jsp?f=0010hmLtSjzJ_OMtkG8fuTqMPHgn8AuCXcvjWg0VlzS9WP3JxtZ4FwQOaWlo3o89gVAtXhAX3m31JFkkfARI1leaxfkYguPv6XaqGGiYBSxsDlk2BTO55F3WceM7jWkHZGloUuhMok5TVLKwD3q1zj0dY6U_6KNKolyrVXxSOzA1Efv7kq6qxTDNg==&c=c6MI3qB2z5BqRkVqmey6nBgwB9erDXRFw16HrhXqbA-BsbbUhYuuHw==&ch=aMKF2IVFbpV9DJqnhuDfsGlp3xhHYW5IDE88MK_I6z7EVGahHaahhQ==)].

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**From:** Paul, Joshua M <PaulJM@state.gov>  
**Sent:** Friday, July 20, 2018 5:56 PM  
**To:** Joshua Paul  
**Subject:** Fwd: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns  
**Attachments:** 07-20-18 Letter to Secretary Pompeo Regarding 3-D Printed Arms.pdf

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From: Rice, Edmund <Edmund.Rice@mail.house.gov>  
Date: July 20, 2018 at 4:37:58 PM EDT  
To: Miller, Michael F <Millermf@state.gov>, Paul, Joshua M <PaulJM@state.gov>, Darrach, Tamara A <DarrachTA@state.gov>  
Cc: McCormick, Jamie <Jamie.McCormick@mail.house.gov>, Fite, David <david\_fite@foreign.senate.gov>, Oliver, Stacie <stacie\_oliver@foreign.senate.gov>  
Subject: Rep. Engel Letter to Sec. Pompeo on 3D Printed guns

Mike, et.al.:

I wanted you to be aware of the attached letter from Rep. Engel to Secretary Pompeo urging a delay of the implementation of the settlement in Defense Distributed v. U.S. State Department, given the significant security threat that would occur immediately upon release of the software. The letter also is being sent to H. Rep. Engel has directed that the letter be released to the public. As you are no doubt aware, the terms of the settlement are already being widely reported in the media this afternoon.

Ed

Edmund B. Rice  
Senior Professional Staff Member  
Democratic Staff  
House Foreign Affairs Committee  
B-360 Rayburn House Office Bldg.  
202-226-8467

**From:** Jim Bartlett, Law Office of James E. Bartlett III, PLLC <jebartlett@jebartlett.com>  
**Sent:** Monday, April 23, 2018 4:40 PM  
**To:** pauljm@state.gov  
**Subject:** 18-0423 Monday "Daily Bugle"

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Monday, 23 April 2018  
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#### ITEMS FROM FEDERAL REGISTER

1. Commerce/BIS Publishes ZTE Denial Order in Federal Register

#### OTHER GOVERNMENT SOURCES

1. Items Scheduled for Publication in Future Federal Register Editions
2. Commerce/BIS Announces 2018 Annual Conference on Export Controls and Policy, 14-15 May in Washington DC
3. DoD/DSCA Publishes Policy Memo 19-23 and 19-24
4. State/DDTC Welcomes Industry Feedback on Electronic Disclosure Form
5. Treasury/OFAC Issues General License to Mitigate Impact on Parties Affected by Deripaska Designation
6. White House Releases Memorandum Concerning the Furnishing of Defense Articles and Defense Services to the OCCAR
7. EU Posts Corrigendum Concerning North Korea Sanctions
8. German BAFA Overview of English Publications

#### NEWS

1. Android Central: "ZTE Vows to Fight Government's Denial Order, May Take Legal Action"

2. Defense News: "Do New Trump Arms Export Rules Live up to the Hype?"
3. Expeditors News: "CBP Publishes GSP Refund Procedures"
4. Quartz: "Behind the Scenes, China's Actually Kind of Mad at its Telecoms Giant ZTE"
5. Reuters: "U.S. Regulator Permits China's ZTE to Submit More Evidence"
6. WorldECR: "Russia Proposes Tough Counter-Sanctions to Recent U.S. Action"

#### COMMENTARY

1. M. Proctor: "U.S. Suspends Export Privileges of Chinese Tech Giant ZTE"
2. O. Coulon & J. Vankerckhoven: "Belgian Companies Brought to Court for Illegal Exports of Chemicals to Syria"
3. SIPRI Releases Papers on the Proliferation Challenges Associated with Transfers of Software and Technology and 3D Printing

#### EX/IM MOVERS & SHAKERS

1. Monday List of Ex/Im Job Openings: 191 Jobs Posted

#### EDITOR'S NOTES

1. Bartlett's Unfamiliar Quotations
2. Are Your Copies of Regulations Up to Date? Latest Amendments: ATF (15 Jan 2016), Customs (12 Apr 2018), DOD/NISPOM (18 May 2016), EAR (5 Apr 2018), FACR/OFAC (19 Mar 2018), FTR (20 Sep 2017), HTSUS (16 Apr 2018), ITAR (14 Feb 2018)
3. Weekly Highlights of the Daily Bugle Top Stories

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ITEMS FROM TODAY'S FEDERAL REGISTER

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1. Commerce/BIS Publishes ZTE Denial Order in Federal Register  
(Source: Federal Register [23 Apr 2018.) [Excerpts.]

83 FR 17644-17648: In the Matter of: Zhongxing Telecommunications Equipment Corporation  
ZTE Plaza, Keji Road South Hi-Tech Industrial Park Nanshan District, Shenzhen China;  
ZTE Kangxun Telecommunications Ltd. 2/3 Floor, Suite A, Zte Communication Mansion  
Keji (S) Road Hi-New Shenzhen, 518057 China Respondent'; Order Activating Suspended  
Denial Order Relating to Zhongxing Telecommunications Equipment Corporation and  
Zte Kangxun Telecommunications Ltd.

\* Background: On March 23, 2017, I signed an Order approving the terms of the Settlement  
Agreement entered into in early March 2017, between the Bureau of Industry and Security,



U.S. Department of Commerce ("BIS") and Zhongxing Telecommunications Equipment Corporation, of Shenzhen, China ("ZTE Corporation") and ZTE Kangxun Telecommunications Ltd. of Hi-New Shenzhen, China ("ZTE Kangxun") (collectively, "ZTE"), hereinafter the "March 23, 2017 Order." Under the terms of the settlement, ZTE agreed to a record-high combined civil and criminal penalty of \$1.19 billion, after engaging in a multi-year conspiracy to violate the U.S. trade embargo against Iran to obtain contracts to supply, build, operate, and maintain telecommunications networks in Iran using U.S.-origin equipment, and also illegally shipping telecommunications equipment to North Korea in violation of the Export Administration Regulations (15 CFR parts 730-774 (2017)) ("EAR" or the "Regulations"). ZTE also admitted to engaging in an elaborate scheme to hide the unlicensed transactions from the U.S. Government, by deleting, destroying, removing, or sanitizing materials and information.

Under the terms of the Settlement Agreement and the March 23, 2017 Order, BIS imposed against ZTE a civil penalty totaling \$661,000,000, with \$300,000,000 of that amount suspended for a probationary period of seven years from the date of the Order. [FN/1] This suspension was subject to several probationary conditions stated in the Settlement Agreement and March 23, 2017 Order, including that ZTE commit no other violation of the Export Administration Act of 1979, as amended (50 U.S.C. 4601-4623 (Supp. III 2015)), the Regulations, or the March 23, 2017 Order. The March 23, 2017 Order also imposed, as agreed to by ZTE, a seven-year denial of ZTE's export privileges under the EAR that was suspended subject to the same probationary conditions. The March 23, 2017 Order, like the Settlement Agreement, provided that should ZTE fail to comply with any of the probationary conditions, the \$300 million suspended portion of the civil penalty could immediately become due and owing in full, as well as that BIS could modify or revoke the suspension of the denial order and activate a denial order of up to seven years.

The Settlement Agreement and March 23, 2017 Order require that during the probationary period, ZTE is to, among other things, complete and submit six audit reports regarding ZTE's compliance with U.S. export control laws. The Settlement Agreement and March 23, 2017 Order also include a broad cooperation provision during the period of the suspended denial order. This cooperation provision specifically requires that ZTE make truthful disclosures of any requested factual information. The Settlement Agreement and March 23, 2017 Order thus, by their terms, essentially incorporate the prohibition set forth in Section 764.2(g) of the EAR against making any false or misleading representation or statement to BIS during, inter alia, the course of an investigation or other action subject to the EAR.

On February 2, 2018, acting pursuant to the Settlement Agreement and March 23, 2017 Order, BIS requested, among other things, that ZTE provide a status report on all individuals named or otherwise identified in two letters sent by ZTE, through its outside counsel, to the U.S. Government, dated November 30, 2016, and July 20, 2017, respectively. The status report was to include, among other things, current title, position, responsibilities, and pay and bonus information from March 7, 2017 to the present. The first of those two letters, dated November 30, 2016, was sent during BIS's investigation of the violations alleged in the Proposed Charging Letter and referenced in the Settlement Agreement and March 23, 2017 Order. In that letter, ZTE described "self-initiated" employee disciplinary actions it asserted that it had taken to date and additional actions that the company said it would take in the near future because they were "necessary to achieve the Company's goals of disciplining those involved and sending a strong message to ZTE employees about the Company's commitment to compliance." The letter focused on ZTE's asserted commitment to compliance, including from the highest levels of management.

The July 20, 2017 letter, sent on ZTE's behalf during the March 23, 2017 Order's

seven-year probationary period, also asserted ZTE's commitment to compliance and claimed that the disciplinary actions taken had sent a very strong message to ZTE employees. The letter was sent "to confirm that the measures detailed by ZTE with respect to discipline have been implemented" against nine named ZTE employees identified during the U.S. Government's investigation. The employee disciplinary actions-actions that ZTE told the U.S. Government that it had already taken-were in ZTE's words a showing of ZTE's "overall approach to discipline and commitment to compliance," which the company described as "significant and sufficient to prevent past misconduct from occurring again at ZTE." Nearly all of the employees named in the July 20, 2017 letter had been specifically identified to ZTE by the U.S. Government as individuals that U.S. law enforcement agents wanted to interview during the investigation, either because they were signatories on an internal ZTE memorandum discussing how to evade U.S. export controls, were identified on that memorandum as a "project core member" of that evasion scheme, and/or had met with ZTE's then-CEO to discuss means to continue evading U.S. law. Three were members of the "Contract Data Induction Team" involved in extensive efforts to destroy and conceal evidence described in more detail below and in the PCL.

In sum, through those two letters, ZTE informed the U.S. Government that the company had taken or would take action against 39 employees and officials that ZTE identified as having a role in the violations that led to the criminal plea agreement and the settlement agreements with BIS and the U.S. Department of the Treasury's Office of Foreign Assets Control. In fact, and as ZTE now admits, the letters of reprimand described in the November 30, 2016 letter were never issued until approximately a month after BIS's February 2, 2018 request for information, and all but one of the pertinent individuals identified in the November 30, 2016 or July 20, 2017 letters received his or her 2016 bonus. [FN/2] These false statements were not corrected by ZTE even in part until March 2018, more than 15 months from ZTE's November 30, 2016 letter, approximately a year from the Settlement Agreement (which ZTE executed on March 2, 2017) and the March 23, 2017 Order, and nearly eight months from the July 20, 2017 letter. During a conference call on March 6, 2018, ZTE indicated, via outside counsel, that it had made false statements in the November 30, 2016 and the July 20, 2017 letters. As discussed below, ZTE's first detailed notification occurred on March 16, 2018. ...

Based on the totality of circumstances here, I have determined within my discretion that it is appropriate to activate the suspended denial order in full and to suspend the export privileges of ZTE for a period of seven years, until March 13, 2025.

[FN/7]

It is therefore ordered:

First, from the date of this Order until March 13, 2025, ZTE Corporation, with a last known address of ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, China, and ZTE Kangxun, with a last known address of 2/3 Floor, Suite A, Zte Communication Mansion, Keji (S) Road, Hi-New Shenzhen, 518057 China, and when acting for or on their behalf, their successors, assigns, directors, officers, employees, representatives, or agents (hereinafter each a "Denied Person"), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, license exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling,

delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

Second, no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of a Denied Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by a Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from a Denied Person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from a Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by a Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by a Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to a Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

Fourth, that this Order shall be served on ZTE, and shall be published in the Federal Register.

This Order is effective immediately.

Issued this 15th day of April 2018.

Richard R. Majauskas, Acting Assistant Secretary of Commerce for Export Enforcement.

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[FN/1] In addition to the BIS-ZTE settlement, ZTE Corporation entered into a plea agreement with the Justice Department's National Security Division and the U.S. Attorney's Office for the Northern District of Texas, and entered into a settlement agreement with the Treasury Department's Office of Foreign Assets Control. The civil penalties (including the \$661 million civil penalty imposed by BIS) and the criminal fine and forfeiture totaled, when combined, approximately \$1.19 billion.

[FN/2] Some of the disciplinary actions ZTE discussed in its November 30, 2016 letter relate to employees who resigned from ZTE well before the date of that letter, including some even as far back as 2012 and 2013. ZTE asserted that such employees left the company by "mutual understanding." Including these employees allowed ZTE to inflate the number of employees listed as subject to disciplinary action, and the material provided by ZTE to date does not establish that they were, in fact, subject to such action. The false statements discussed as violations in this order do not include,

however, ZTE's statements relating to the circumstances under which these employees left the company. Nor do the false statements at issue relate to an employee referenced in the July 20, 2017 letter, concerning whom ZTE did not clearly state that disciplinary action had been taken. This order also does not relate to any issues relating to the termination of four officials addressed as part of the criminal plea agreement.

...

[FN/6] As discussed supra and in the March 13, 2018 notice letter, ZTE did provide some notice by telephone on March 6, 2018.

[FN/7] This date is seven years from the date of BIS's March 13, 2018 Notice of Proposed Activation of Suspended Sanctions and Opportunity to Respond in this matter.

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## OTHER GOVERNMENT SOURCES

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2. Items Scheduled for Publication in Future Federal Register Editions

(Source: Federal Register [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzcs618HW-2Lg4WoJ9t-

pJTf58deK2KpzoS2QuJT0SZoKnfJc8iCFm6agdpCGJBISmOkOOWUBNMF7Q7TVn7q53bD3f3I998YFIXwU2BIKI9VcTokvt77p1gawx5wJ4Bzb4kH94d7J3Sc-IR69A-JimjY=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==])

* Treasury/OFAC; NOTICES; Blocking or Unblocking of Persons and Properties [Publication Date: 24 Apr 2018.]

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### 3.

Commerce/BIS Announces 2018 Annual Conference on Export Controls and Policy, 14-15

May in Washington DC

(Source: Commerce/BIS [[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa16g64m0qjzJTkUPO9KXLLJ233WK7nSz7QNpOA90fE5fh8WAYTT5lqLHq9CTtmDoFjISuFop7wUZOsrZupxHi](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa16g64m0qjzJTkUPO9KXLLJ233WK7nSz7QNpOA90fE5fh8WAYTT5lqLHq9CTtmDoFjISuFop7wUZOsrZupxHi)

fB3qh3DKJgjREtxqe000tegbUVNR2DqSOqJNLnURPmo\_4oBqlteuYb6CgTOdygytDKFeiHGWO3vZMbSDd6KddJi3T1zCfWw9jsN-KEr7o2ZVV7r2aFvwDgKfzDfRopf0g5NkEnvXxyBP02Ur2dex\_QT8=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKTv-ZFxLkpnXYw==],

23 Apr 2018.)

The Bureau of Industry and Security (BIS) will hold the 31st annual BIS Annual Conference on Export Controls and Policy in Washington, D.C. May 14-15, 2018. This major outreach activity draws business and government representatives from around the world to learn and exchange ideas about export control issues. It is one of the Department's most notable international trade events.

BIS Annual Conference 2018 will be at the Marriott Marquis Hotel. A conference room rate is available to attendees. For registration and program information please click on the links below.

For additional, information on BIS Annual Conference 2018, you may contact the Outreach and Educational Services Division at:

UpdateConference@bis.doc.gov [<mailto:UpdateConference@bis.doc.gov>] or (202) 482-6031.

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#### 4. DoD/DSCA Publishes Policy Memo 19-23 and 19-24

(Source: DoD/DSCA [[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzU\\_ia2qOwl-UcF5QBly4pS2Nmabe1Gdotlpvd3z\\_aHO7jbgA819A5glZgO02RTLwhLJ\\_XnOiXHUTjcVvh-wHvzB8rlke8AN4aqmedEk5fD4kKmQocPz1z3U=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzU_ia2qOwl-UcF5QBly4pS2Nmabe1Gdotlpvd3z_aHO7jbgA819A5glZgO02RTLwhLJ_XnOiXHUTjcVvh-wHvzB8rlke8AN4aqmedEk5fD4kKmQocPz1z3U=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)],  
23 Apr 2018)

\* DSCA Policy Memo 18-23 Assignment of Program Code "AZ" to track Fiscal Year (FY) 2018/2019 DSCA Operation and Maintenance Funds Provided for the Southeast Asia Maritime Security Initiative (MSI) [[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalkeRm9WGe1PEJGI293VU46RMC4B9anLtSYV9JfiETRTkCe4b6o-GyKhF83ezMYSJ\\_9qFtnH9aQSE1dK3B-P91syRPYWMZ47gJdAh5ZrofROojvfdqhuZsHdfmoCE8IS1R767HiwqKoldSQ-\\_Gjn2Z7Q==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalkeRm9WGe1PEJGI293VU46RMC4B9anLtSYV9JfiETRTkCe4b6o-GyKhF83ezMYSJ_9qFtnH9aQSE1dK3B-P91syRPYWMZ47gJdAh5ZrofROojvfdqhuZsHdfmoCE8IS1R767HiwqKoldSQ-_Gjn2Z7Q==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

has been posted. This memo updates Table C4.T2B. - Security Cooperation (SC) Customer and Regional Codes and FMS Eligibility (DSCA/DFAS Reserved)

[[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ\\_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY\\_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq\\_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

and Table C15.T2. BPC Programs and Authorities.

[[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal26bBprVuS5visnjs9LziaLi8lwV-3WRb4A3Uo6N8qHbU3Os2ASjglRyLOIPNkf1-kbNWfuuXxmR0r99Bmkd11KjdzwlxQ8uGDlrNa4yuV82UJ5cVRqfycbUqHvkCKuN8MQobpfB9v9Uo17rYuLuQ9w==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal26bBprVuS5visnjs9LziaLi8lwV-3WRb4A3Uo6N8qHbU3Os2ASjglRyLOIPNkf1-kbNWfuuXxmR0r99Bmkd11KjdzwlxQ8uGDlrNa4yuV82UJ5cVRqfycbUqHvkCKuN8MQobpfB9v9Uo17rYuLuQ9w==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

\* DSCA Policy Memo 18-24 Assignment of Program Code "BJ" to track FY 2018 Overseas Contingency Operations (OCO) Funds Provided for Ukraine Security Assistance Initiative (USAI) [[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal\\_YXFK5YxhR6wa158Ygxw9Dt2ufHm\\_x\\_mllHfXkqta\\_wZivuv7jEZeSOF2lEmQt7e2lYsvbfYcgflQQWC7jVxb2ucEgd3YrmwlTrck\\_KDEi7-pVaxTOhCCb-q9Uw5V5k7GxgFD-8R\\_Iz\\_kzuzWkZj8ZQ==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal_YXFK5YxhR6wa158Ygxw9Dt2ufHm_x_mllHfXkqta_wZivuv7jEZeSOF2lEmQt7e2lYsvbfYcgflQQWC7jVxb2ucEgd3YrmwlTrck_KDEi7-pVaxTOhCCb-q9Uw5V5k7GxgFD-8R_Iz_kzuzWkZj8ZQ==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

has been posted. This memo updates T

[[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ\\_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY\\_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq\\_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

C4.T2B. - Security Cooperation (SC) Customer and Regional Codes and FMS Eligibility

(DSCA/DFAS Reserved) [[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ\\_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY\\_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq\\_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

[[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ\\_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY\\_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq\\_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]

and Table C15.T2. BPC Programs and Authorities.

[[http://r20.rs6.net/tn.jsp?f=001JzaT0J\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ\\_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY\\_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq\\_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKtv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzWj8gYfZPMEZoCqmogRbU54YtTynU34YALLc5pi2-jZ_hjOLWIne3IMizINJvMCQg2yldlLt3zE3Ue3g1IKWciQcgCxlxe3OLUINDeY_p8TNXepmU71aiNLA0tSQoPFdEzx85otGDq_xjFOIDQ7lQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxLkpnXYw==)]



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 ZFxLkpnXYw==]  
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5.

State/DDTC Welcomes Industry Feedback on Electronic Disclosure Form

(Source: State/DDTC [http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzXzy1B8olgDFNS-9HLFZVzqjJSQaa9QH7XHA-

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 ZFxLkpnXYw==],

16 Apr 2018.)

DDTC is developing an electronic version of the current DS-7787: Disclosure of Violations of the Arms Export Control Act (AECA) form, also known as Disclosures. As an alternative to paper and mail, the online version will allow Industry personnel to submit Disclosures directly through DDTC's Defense Export Compliance and Control System (DECCS).

In an effort to improve this electronic form, DDTC is enabling a test version of the new online process for Industry feedback between April 16, 2018 - April 30, 2018, prior to it being publicly available online. If you are interested in participating, please go here [http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzXzy1B8olgDFNS-9HLFZVzqjJSQaa9QH7XHA-

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LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-
 ZFxLkpnXYw==]

for more information on how to access and use the test version. Once you have completed testing, you can submit feedback or comments through the "Provide feedback" button in DECCS.

Thank you in advance for your participation, and we look forward to your feedback!

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6.

Treasury/OFAC Issues General License to Mitigate Impact on Parties Affected by Deripaska Designation

(Source: Treasury/OFAC [http://r20.rs6.net/tn.jsp?f=001JzaTOJ\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-  
 WhTzazzX9a0xJalhk25CtKr8zhcYZ91PeudFWKspt6ZXqB3FkM2FLkScckFGyHqypZZ6pd5Z9iKEh\_zQaQ-AG-  
 57Jlw8HapaOMNDuYFZikOOH4L5Z35ef5kejE43KOX3L7dwAPedcajmH7i1u4BvLLmo3PAraV3LjTetA==&c=jHYp9gAECfzhRI-  
 LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKTv-  
 ZFxLkpnXYw==],

23 Apr 2018.)

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today issued General License 14 [http://r20.rs6.net/tn.jsp?f=001JzaTOJ\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-  
 WhTzazzX9a0xJal1RcEvsb8aXludyCLaL9f\_GZPQ6cO\_W6s42ycQN1x7Y\_7LotlpdkG6ybmryAy9VTSn1luwr4sk\_qICKXHyn1  
 n6MZaiLz8vNTEwX3a8MbZrRdRHF8IMyzXDlWpq6YhP-2ciWOBUMdAnd-1974WZgVfD3CySKnu-

4HQXQILKOKePVfDqWb53AP8IhuGYht1sdarTQm-PGOao=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKtv-ZFxLkpnXYw==]

in the Ukraine-/Russia-related sanctions program.

General License 14 [http://r20.rs6.net/tn.jsp?f=001JzaT0J\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal1RcEvsb8aXludyCLaL9f\_GZPQ6cO\_W6s42ycQN1x7Y\_7LOtIpdK6Gybmr\_yAy9VTSn1luwr4sk\_qICKXHyn1n6MZailZ8vNTEwX3a8MbZrRdRHF8IMyzXDlWpq6YhP-2ciWOBUMdAnd-1974WZgVfD3CySKnu-4HQXQILKOKePVfDqWb53AP8IhuGYht1sdarTQm-PGOao=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKtv-ZFxLkpnXYw==]

authorizes U.S. persons to engage in specified transactions related to winding down or maintaining business with United Company RUSAL PLC (RUSAL) and its subsidiaries until October 23, 2018. In accordance with preexisting OFAC guidance, OFAC will not impose secondary sanctions on non-U.S. persons for engaging in the same activity involving RUSAL or its subsidiaries that General License 14

[http://r20.rs6.net/tn.jsp?f=001JzaT0J\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal1RcEvsb8aXludyCLaL9f\_GZPQ6cO\_W6s42ycQN1x7Y\_7LOtIpdK6Gybmr\_yAy9VTSn1luwr4sk\_qICKXHyn1n6MZailZ8vNTEwX3a8MbZrRdRHF8IMyzXDlWpq6YhP-2ciWOBUMdAnd-1974WZgVfD3CySKnu-4HQXQILKOKePVfDqWb53AP8IhuGYht1sdarTQm-PGOao=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKtv-ZFxLkpnXYw==]

authorizes U.S. persons to engage in.

"RUSAL has felt the impact of U.S. sanctions because of its entanglement with Oleg Deripaska, but the U.S. government is not targeting the hardworking people who depend on RUSAL and its subsidiaries," said Treasury Secretary Steven T. Mnuchin. "RUSAL has approached us to petition for delisting. Given the impact on our partners and allies, we are issuing a general license extending the maintenance and wind-down period while we consider RUSAL's petition."

In addition to General License 14

[http://r20.rs6.net/tn.jsp?f=001JzaT0J\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal1RcEvsb8aXludyCLaL9f\_GZPQ6cO\_W6s42ycQN1x7Y\_7LOtIpdK6Gybmr\_yAy9VTSn1luwr4sk\_qICKXHyn1n6MZailZ8vNTEwX3a8MbZrRdRHF8IMyzXDlWpq6YhP-2ciWOBUMdAnd-1974WZgVfD3CySKnu-4HQXQILKOKePVfDqWb53AP8IhuGYht1sdarTQm-PGOao=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKtv-ZFxLkpnXYw==],

today OFAC also published several FAQs

[http://r20.rs6.net/tn.jsp?f=001JzaT0J\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJaldenRPYrOhcNFlaqW-mJ0b9bklgWZV6ciNtEr1VHb9Srtj--\_hO3tFhrwFA\_MPqiBKmq16jl1wqe9RMWQM\_19oi2rxa71iQnKDwaCRvqoa2YR4XjElzLOPE5yswLbOtMVWmCSG93HSDG3nQavEG-SfRUxTbMvclD9UYbDjT1FJHHWcK5VuekwfFosq9MgzDZ9I0-twblwgvQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKtv-ZFxLkpnXYw==]

regarding to the general license's authorizations and limitations, and issued an

amended General License 12A [http://r20.rs6.net/tn.jsp?f=001JzaT0J\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalUy-

4Mk7SyFvzeWTasGOoTfGgW68z9plc4E9GOyqIS1OrlKgYEkeawCeSuKb9mL5HnvHemUqmBXRiEfrOnNzJetV8TGARYtdvqZRzjKmdJ6GCYqjpPjUctZepF2mnGHW\_7e1r4ehbGbBbwEc-

Z9J4K9rse\_yFWkloPZspyV5K66rN0h\_jcVwqmDrRyvgplg3771zbJfyKg=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKtv-ZFxLkpnXYw==].

On April 6, 2018, OFAC designated RUSAL for being owned or controlled by, directly or indirectly, EN+ Group. In that same action, OFAC designated EN+ Group for being



owned or controlled by, directly or indirectly, Oleg Deripaska and other entities he owns or controls. RUSAL is based in the Bailiwick of Jersey and is one of the world's largest aluminum producers.

View General License 14 [[http://r20.rs6.net/tn.jsp?f=001JzaTOJ\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa1RcEvsb8aXludyCLaL9f\\_GZPQ6cO\\_W6s42ycQN1x7Y\\_7LOtIpdK6Gybmr\\_yAy9VTSn1luwr4sk\\_qICKXHyn1n6MZaiLz8vNTEwX3a8MbZrRdRHF8lMyzXDlWpq6YhP-2ciWOBUMdAnd-1974WZgVfD3CySKnu-4HQXQlLKOkEPVfDqWb53AP8lhuGYht1sdarTQm-PGOao=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKTv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa1RcEvsb8aXludyCLaL9f_GZPQ6cO_W6s42ycQN1x7Y_7LOtIpdK6Gybmr_yAy9VTSn1luwr4sk_qICKXHyn1n6MZaiLz8vNTEwX3a8MbZrRdRHF8lMyzXDlWpq6YhP-2ciWOBUMdAnd-1974WZgVfD3CySKnu-4HQXQlLKOkEPVfDqWb53AP8lhuGYht1sdarTQm-PGOao=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==)],

General License 12A [[http://r20.rs6.net/tn.jsp?f=001JzaTOJ\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa1Uy-4Mk7SyFvzeWTasGOoOtFGgW68z9plc4E9GOyqIS1OrlKgYEkeawCeSuKb9mL5HnvHemUqmBXRiEfrOnNzJetV8TGARytdvqZRzjKmdJ6GcYqjipPjUctZepF2mnGHW\\_7e1r4ehbGbBbwEc-Z9J4K9rse\\_yFWkloPZspyV5K66rN0h\\_jCvWqmDrRyvgplg3771zbJfyKg=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKTv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa1Uy-4Mk7SyFvzeWTasGOoOtFGgW68z9plc4E9GOyqIS1OrlKgYEkeawCeSuKb9mL5HnvHemUqmBXRiEfrOnNzJetV8TGARytdvqZRzjKmdJ6GcYqjipPjUctZepF2mnGHW_7e1r4ehbGbBbwEc-Z9J4K9rse_yFWkloPZspyV5K66rN0h_jCvWqmDrRyvgplg3771zbJfyKg=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==)],

and updated OFAC FAQs [[http://r20.rs6.net/tn.jsp?f=001JzaTOJ\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJaldenRPYrOhcNFlaqW-mJ0b9bklgWZV6ciNtEr1VHb9Srtj--\\_hO3tFhrwFA\\_MPqiBKmq16jl1wqe9RMWQM\\_19oi2rxa71iQnKDwaCRvqoa2YR4XjElzLOPE5yswLbOtMVWmCSG93HSDG3nQavEG-SfRUxTbMvclD9UYbDjT1FJHHWcK5VuekwfFosq9MgzDZ9I0-twblwgvQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKTv-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJaldenRPYrOhcNFlaqW-mJ0b9bklgWZV6ciNtEr1VHb9Srtj--_hO3tFhrwFA_MPqiBKmq16jl1wqe9RMWQM_19oi2rxa71iQnKDwaCRvqoa2YR4XjElzLOPE5yswLbOtMVWmCSG93HSDG3nQavEG-SfRUxTbMvclD9UYbDjT1FJHHWcK5VuekwfFosq9MgzDZ9I0-twblwgvQ=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==)].

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7.

White House Releases Memorandum Concerning the Furnishing of Defense Articles and Defense Services to the OCCAR

(Source: The White House [http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJa1GdT2ui3tXoYW6rRRhxTOFYLQxMRzGYo-1qFWH7r64GdcmXjfbC17DYQoERS85Xs_ADdpn2ysSlwm5wwO2EW92PaiXW5fWlRDbhhPNvc7_p2edv69eoFhj0b2RSwWmPXj3IKtTV2IXIUyrgX7uMkZUVusGUj_qa0Xk9Q6oDrTEmi272ahfME8CTGukWHzOnopUNI_8eznw=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==],

20 Apr 2018.)

SUBJECT: Eligibility of the Organisation Conjointe de Cooperation en matiere d'Armement to Receive Defense Articles and Defense Services Under the Foreign Assistance Act of 1961, as Amended, and the Arms Export Control Act, as Amended

By the authority vested in me as President by the Constitution and the laws of the United States, including section 503(a) of the Foreign Assistance Act of 1961, as amended, and section 3(a)(1) of the Arms Export Control Act, as amended, I hereby find that the furnishing of defense articles and defense services to the Organisation Conjointe de Cooperation en matiere d'Armement(OCCAR) will strengthen the security of the United States and promote world peace.

You are authorized and directed to transmit this determination to the Congress and publish this determination in the Federal Register.

DONALD J. TRUMP

[Editor's Note: The OCCAR is a European intergovernmental organization which facilitates and manages collaborative armament programs through their lifecycle between the nations of Belgium, France, Germany, Italy, Spain, and the United Kingdom.]

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8. EU Posts Corrigendum Concerning North Korea Sanctions

(Source: Official Journal of the European Union

[http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalHdz1ISC2eKLXSBdDDFNuOLlbpNryi0aKvHywHr83Ir7HUQ_PxxfhlLBPmnQJLfdD2AYWRfd77_T1rAKcq158E28_CnrPjCThDEFEutkbu9EhvtovYYvmZF4Ust_UtNML2bB0PgEbPUUtvYQ0vxQvge8DXnZAI1YEOvyXC19YM4VZ6pb0fh0-KZQh7d9AwDw&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxlkpnXYw==],
23 Apr 2018.)

* Corrigendum to Council Implementing Regulation (EU) 2018/286

[http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal4bguHeEX0ZdGFXlB-IrfJ2T6CQzlyPXdsuDi_eLW3NUI5hTrcRMgl8iGE91hH2EBn_K6ZGZhP7aas5TH2k_F3BJH7GSLcqg7vc_kCtIsoOdMmF-4ADqAVIR55tBzTSzlo-Ta_IYk_EUwYtc6ledmqzEYyQXZS8baWqMUz8h6wQr64o5jMGp-pCZdV0z3z4k4_XMTzlwKCrwacd6VZ1P0L8GzNb8SsGHnqOr49ZxzE1h0k0VsFXHKZO30vgWQ16Uy&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxlkpnXYw==]

of 26 February 2018 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea (OJ L 55, 27.2.2018)
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9. German BAFA Overview of English Publications

(Source: German BAFA [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzctyE913ENFuLyDtzuc7uRvZPiw2fUVcfxBV2QlBHCmUfwdvzhZ4ErVkfZ7D44S5W6G1q-IORczglgEOsp1Y8g3q7cF2htglDmdOAE99ds8DZK1rRUgdmzVjtZ4vgKJC-SOI5MftGf-ihDICEye0u8X09J-PKExAufzWNwrTp9QPz_SmxB4-N9cskkWQ2lNww==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxlkpnXYw==],
20 Apr 2018.)

The German Federal Office for Economic Affairs and Export Control (BAFA) regularly releases an English publication on its website. Below an actual overview of publications, regulations (non-official translations), and forms:

Publications (Instructions, Guides, Information Leaflets, Circulars, and Manuals)

- Manual - Completion of German end-use certificates [EUCs for war weapons, arms and military equipment] [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal-

9rqcHxLVUGPlcZ0C0luFIBndkqFPXeoOYdvshEOztGDoM6CZ8wf9d0xNY_zhnJnS0q9kFj7SyGzmLOleKvR97C4gMHgo8Fpu8B iDk9blbhc1BD5pEKaG8l0pqqoLogrG5BC1GdaSyzLcP3f4IfDICjrTvoj-g_cZP4kefYE-CKiYb27NHAr1_015aJKGqOUo0gNUZYyqzSf9O_VC5NwmAyhyiQD70k2mRWcEOHGGTHXk4vxNlpAsmIWFO97OxBoj1q46CA4Zz4q_yyJY9okZEQ==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxlkpnXYw==]

- Manual - Completion of German end-use certificates [EUCs for dual-use items, items controlled under Council Regulation (EC) 1236/2005 or sanctions]

[http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalTUDeyhyRzvcl-kVN81ySkgl7WGVvYTUBFTs-Y1rhvlo6gDrRLq7cWjvnfvsvuVX_Y30tYq5XT-YqKfqKebWoYVsj_b2ywsKHVaSgcx37ACa6UB_qTePBBqSQlBIMYtMNQbHqPMCVg7jgv3lxJrKdqTg-V_i01nxguvflMB3yjfH6b1EhZvm8KzFYhnbodQjKtNHpa-QsDoXz-InqoeN08lgqxllaPaNyZt8pN_10C5EsbvJlwaFIDZAZWtklITVeEJgyNu-0d4fWGDuW3Ycj_jg==&c=jHYp9gAECfzhRI-

LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Information Leaflet on Barbiturates (For barbiturates under the Anti-Torture Regulation)

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalLepIKewK-cXrVqXR43-2PVLSSWzFhC0pCDVrnZh7R53szgwiZh9w_6DclIWD9TamxZsAdxNjdTsmfp-Y5C3DxjtuerToixspnGdytb2dIIDTFmOyhEqZ3HKiI9DiT30NhAyuNisah_8ROa776ZK3PG5OZrCFVVA8GkiKZ-xw6hC6RJDwiM8J_uwVFWp76bljZF8MMucgQLPLXMHDrNRTjVSEElloMyxPPmKVAixvho7BNzvC-PWLC7N7IyFRHSKg1FdHTN7C3w=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Information Leaflet - Internal Compliance Programs (ICP)

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalB34wYNaucf0yG8Z8hhyNjKfystpCh6ZDk2scQkTGPdWesm3jwSxFoxTvqSwDYTHSmeEXDZAcR07YefQe7hliRllaPcyrehPaZk95H-L4-bUyUT-DVYZhMZKDJYiekfvXouKXfZPbLIZDFZv6N_nv9HQsw-P6-NKjtWUKq0y-7e8qGQREYcdF4MqclbPBCiRlyG_9DmalRW5-EkruvQ8KbGtHwwHrp32LH_9Lflcx2UtO2ESFVWc04kMfYGVx-EC-ECX48EJgU41v2qT1v51sMxipFFJsQl9&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Instruction booklet on non-country-specific embargo measures to combat terrorism

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalHOHRRGw9pXgPKhnrl3rST-gyuHG0A3VpuHdxApZ1vuLmwE-ioP0dPgSIzX_ez3qBKzPFq4pVkyG0lmmMoFDvJGejwrjGYNOy8X-HpDHigOuEBJ3VQBtTRRU8pnUi7SQngd1tVCvHk4oNPVKMVjl1zPFk-Hxd-kZkl6Thujac-wg2ZHsxHdOYD-neF4mJs71_SJHDcfrKOL7QfApwNh5qR9vThYqpm5kydA1HZ3eYEm8p-R-NOHEqvGLBHZc7P2a1dnnzYf3TrDJH3bnYZWUHAGBk9ARwQd&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Export Control - Brief Outline [http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal3KRngZmEdSBqjvwfGN225Encs3seW02auvoKyZHOHi47NP0G3rsdPbxs3N-lbYClvh58hDjJMa_qdDfS7bSTGpP3hCsahkilGcHuFrYX5aRg9t8x1uEqSNEQoWJzOr4ewsJcAKfhMlvuXyHeGxiJwrYlewktoWZbyhPTJ5JVK_FalJY1PbWA4gpSW7iTK_z87TELEQy3NDFPzyLqg7K0mGvoiecwiMBotWCUg5BelQEx5xYtqRP1N3lv6pZPiXQZ&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Information Leaflet on Trafficking and Brokering

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalVTifZFttQN8SztG10vIX8bKNLB2zkSHPSKQss9r3uA03FDOIfytD6sYd8HEVK0_cCZ7HCNkIn6hs_aadgLOFET30QhY3HqY0u9T75vu3Jacwrkx_7NgImCiexDmNTH9xKu33w0m_gY8jucxUhUn3UTmkh6mUXaQruPsdOraszR-4eHhpWxWO5N9X_YyIA5IMVufbcDDm4VknFyLrIYdWG8v1pPy4_kDdzxieBqNkz4uplAjWWurm--Q2o7xghA8BkArIliHnQFV3kW0ONH-fkg==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Information Leaflet on Responsibilities and Risks in Case of Know-how Transfer

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalEUQbYasq6sb40VDuPfeVHYEKsvGtrsN9pwWAwitMjpAnlviS7G0yK7clu_sTKB9T6cv-it-JovHoMOWOWX2-hT122y3bmyMC9VM7sgkp-9xPluQ449LShTw6n98AitUfh4w2INMGeYTGDp0ZTN115sFv9X57FDgk8aRs3t0-jHoyQe_rR4zWkffFXIzVPKdeiB_ECR0o5h1HTR0OWuQOFS_WnRCHMUByzr50nEDY2wpjirQdTrbnvcoeg0woT1vXojTNps73UM=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

- Awareness-raising guide Australia Group

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalaz5-yJ_N5YCYZjeiEiC4FBwRq3koNaITLWMrhouvFK-MXOuXVUUYWdiHKGVAOSog33WdfSXRkuJ9auacUjEmb00zIKryeO0KfK2ci2Gje33AXku48Ny1yeSqyEjwGZadn_nUsnFze4FTC4sH4AYXn6TMAroLEGbpSv5p0mXkw7yJMcdnT6sIB-

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 fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxlkpnXYw==]

- Information Leaflet referring to Foreign Trade with "Embargo Countries"
 [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzazzX9a0xJalyNd8pqZhrTjigSolAAa7Dv-J6EsIEmoc2MkF6_65QxzRC89X6Dxhl5fIUfiAQL-
 wVlR06EvY3SjBvHlvc2DciYytuxxU3G07Nr7gVJDLeSxQSSk7qSXteCCettvdkAKIJABT-
 1BHSljDvFgtN7GI2MuOSuhaOQs8xq39TQXUkPfzoFzePA0as7cgdf8lw1fOBQl-
 q5s5dlP2D9u3Vt_B6KZf8JVi9afATBKAEaMX73mrom4O4FwOj037oPEe4G0EUuEW6rZ4RTTkqVSTZzKYyGdtO3nw5Az&c=jHY
 p9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-
 ZFxlkpnXYw==]

- Circular Directive Number 10/2003 referring to the Granting of Global Export Licenses
 for Dual-Use Items and Armaments
 [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzazzX9a0xJalQH91ResT27BrLUkyWltNgdTMfb9jKcsZU3hM3PumJDY_ZaOz_Hj-
 LU2Fr8mmTpV_BC9AegtB2II4Jrwd8TTOGzbC68JRD17FP5I0i3dY8qLS36qWoUcLsmZFqnLpHqBsgawalzipfu1KDAC1hy6
 DBYj8zJWZSBRkkHUQSxbP0fyikUYfoPCi2Yd4ZZcESKZDbQk77P0y3Xg2q4gBML_ieVvRKMUbr5phwQ8cZDqAD0hSUmoDec
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 fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxlkpnXYw==]

- Nomination of Chief Export Control Officer (Annex AV 1 [non-official translation])
 [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalkW5U-
 EiFcW0P5AZtiHTI22mz6tOxZ65OMRvf1x52C_KbZOD12KXoAqzEIq7BWd8MViWYJbLZR70LnmD-
 C4byhJBirLgb_r68TuvT25VQLetSBXFK7UlH4W54qKikeSUSJeRxiVanIpcX6pOfKOfudJq1Bm4wWAObYL68LFV3zDz7z_WLA
 jV1JbHwQPFcCw4T2H4xPRI54u3ndT_dBaPN41Aja5cvtKu5kcuUCCtAJC74017xliRefJqcwZYK2dyBM4d2EaOr_bG7zBCwBj0u
 6Q==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-
 fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxlkpnXYw==]

- Declaration of the Chief Export Control Officer
 [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzazzX9a0xJalgdhYTyWzWi8Qt-gmHbK6dKkfjVGdT73F-LSjnGlslpVVeGmrDW1mdGy1sciRXh-
 Hw8TgqfbF5pCI7gRLNaSe4Ik9HKW_S-gd_ELCK4AzNoQX__mhrM8d6jep-OMXusP4F7ySZFdwMbk7bH3D-
 wN1c_zfjQMVDz8B1815F21LkbfJScuKN7lidg8bhF9JGxgXAWfLm1dAK7vwF1HxamBMbExijxxmzFHA-Ue-lzaTuPCT2LTi-
 Xo4wDgjwby_-H2ko_U00I5M9DaCjkvxiMxCQ==&c=jHYp9gAECfzhRI-
 LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-
 ZFxlkpnXYw==]

on the Assumption of Responsibility (Annex AV 2 [non-official translation])
 [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzazzX9a0xJalgdhYTyWzWi8Qt-gmHbK6dKkfjVGdT73F-LSjnGlslpVVeGmrDW1mdGy1sciRXh-
 Hw8TgqfbF5pCI7gRLNaSe4Ik9HKW_S-gd_ELCK4AzNoQX__mhrM8d6jep-OMXusP4F7ySZFdwMbk7bH3D-
 wN1c_zfjQMVDz8B1815F21LkbfJScuKN7lidg8bhF9JGxgXAWfLm1dAK7vwF1HxamBMbExijxxmzFHA-Ue-lzaTuPCT2LTi-
 Xo4wDgjwby_-H2ko_U00I5M9DaCjkvxiMxCQ==&c=jHYp9gAECfzhRI-
 LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-
 ZFxlkpnXYw==]

Regulations (Non-Official Translations)

- Council Regulation (European Union) Number 428/2009 of 5 May 2009
 [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzazzX9a0xJalkT21zhAOnuHyw7mxxYLIgpTbJsQUGFPAMTUZCJmFuQCTRL-Ucsggm4byT6kCel4CjsrxCRUbckAKI-
 P7u5Isyfq-YLIctV8vIWt2L2IpWMxMYn1IKASBTi7y6Ai_aHTOhdMNYD0GEDbtAM6851W86-9hRTzs01hl-
 NCA9QbqAw88WNckNOInAA==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-
 fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtv-ZFxlkpnXYw==]

- Directive 2009/43/EC [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
 WhTzazzX9a0xJalg9GfBHAY7JhDcKN_-nYtES_45DPhdBCnbsdoF1TrItcWkX_U0tLyf5-3DjaXOCyASMgOs6_IH-
 YfLnEvU0uhRmBJdYJMOGV4RJncyUkHHjgM1eDH4qkVS4KQSHUyOpZzAl-

5mHYebbK1aNkyE1rVOFE4tSGeIYKaJBky_6j_uDJwfvAdvRng8mXh19Lem8F6KeZvxYx0ZkZdfgGo1dncQ==&c=jHYp9gAECfz
hRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-
ZFxLkpnXYw==]

of the European Parliament and of the Council of 6 May 2009 simplifying terms and
conditions of transfers of defense-related products within the Community Text with
European Economic Area relevance

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalg9GfBHYA7JhDcKN_-nYtES_45DPhdBCnbsdoF1TrItcWkX_U0tLyf5-3DjaXOCyASMgOs6_IH-
YfLnEvU0uhRmBJdYJMOGV4RJncyUkHHjgM1eDH4qkVS4KQSHUy0pZzAI-

5mHYebbK1aNkyE1rVOFE4tSGeIYKaJBky_6j_uDJwfvAdvRng8mXh19Lem8F6KeZvxYx0ZkZdfgGo1dncQ==&c=jHYp9gAECfz
hRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-
ZFxLkpnXYw==]

- Foreign Trade and Payments Act of 6 June 2013

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalc3-
J4nJXnBdlulqRwAwyu7oAdcrpQlIkOkkwIFLsWsV1LmvxIBD6iwR2SUScOdkiQNPpKufisfjRKgKdTYGrjOrvQOnJ4y3joFgGU
eHg8WtRnaDMTQltdQ-l_VLJ5RXp-
KVC7nblyXUxRdSI3qtsojGRB7j1txJ9rK19QRlqKh3H4xVsa73RdtzvYrRCMg91onJYdZ92mtDxswhUb2eHxadfehIrfWp3E9Mgl
isIK9RQcSa5e7JH0faD8C_3XFe4OZRkkBnFU=&c=jHYp9gAECfzhRI-
LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-
ZFxLkpnXYw==]

- Foreign Trade and Payments Ordinance of 2 August 2013

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalqlLqU8eHWVa1zByHas_qYJfJZUQH10hdJbjEmtfNGd6OmNdy8wDTmtEwANIHHm1oYQyg4NoTOVaNImt
gXvqVDLyM5lPvB37dLmRvfljg84j6_HBNFsVj7LRggPVsF3xu_W317H_yppscHdz-
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B1CEng1Pp6aXncd9DuXeeF7Y04=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-
fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-ZFxLkpnXYw==]

- Act Implementing Article 26 (2) of the Basic Law (War Weapons Control Act)

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalblWATBFpVuCvnhlgjCLH9mzYeirbKXGXgRy-
TWFLQGrOLxf4_xSup4uMT03SByt4TTR3Yfshi1PRnpQUSARBGgJgJUZLGbhPbeh2Lsq9gLOYAQ8AXqN8cWgY09ThePqjmd
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fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-ZFxLkpnXYw==]

- War Weapons List [http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalcct7jMZf8EXdUW12LAQ50LICFVIAK91yrcTEXMdE6On08yASgQDBDL6vXSmZLPn0ljUNdC_o3tw7pAwb0
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LTrK8Z9HGkyvlvBxzV_m0OliAAlporISXlBNxJVGVM6TotEz8g8SsXW_qQ1dGbIGKnAEY2SMf185EAoRPqp8eOkIbt-
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fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-ZFxLkpnXYw==]

- General License Number 27 [http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalr3DPT4GCE3MI6USFVold7ug-
gBPzvAB3S10WYIWcieWo1qKdbgaPhcJVuvqfL6yFXJ61CbLLm0KJAMge0rhM_n0D-eY1kGzw3J2KN2P_hysoJC5F-
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LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKtV-
ZFxLkpnXYw==]

Forms

- Nomination of Chief Export Control Officer (Annex AV 1 [non-official translation])

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalkW5U-
EiFcW0P5AZtiHTI22mz6tOxZ65OMRvf1x52C_KbZOD12KXoAzqEIq7Bwd8MViWYJbLZR70LnMd-
C4byhJBIRLgb_R68TuvT25VQLetSBXFK7UIh4W54qKikeSUSJeRxiVanIpcX6pOFkOFudJq1Bm4wWAObYL68LFV3zDz7z_WLA

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6Q==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-
fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTV-ZFxLkpnXYw==]

- Declaration of the Chief Export Control Officer

[http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalgdhYTYWzWI8Qt-gmHbK6dKkfjVGdT73F-LSjnGlslpVVeGmrDW1mdGy1sciRXh-
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wN1c_zfjQMVDz8B18I5F21LkbfJScuKN7lidg8bhF9JGxgXAWfLm1dAK7vwF1HxamBMbExijxmzFHA-Ue-lzaTuPCT2LTi-
Xo4wDgjwby_-H2ko_U00I5M9DaCjkvxiMxCQ==&c=jHYp9gAECfzhRI-
LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTV-
ZFxLkpnXYw==]

on the Assumption of Responsibility (Annex AV 2 [non-official translation])

[http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
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Xo4wDgjwby_-H2ko_U00I5M9DaCjkvxiMxCQ==&c=jHYp9gAECfzhRI-
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ZFxLkpnXYw==]

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## NEWS

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10. Android Central: "ZTE Vows to Fight Government's Denial Order, May Take Legal Action"

(Source: Android Central [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJal4MLJ_DzZMXiBvHCociVuq-9xoNczSRoJRoyxXFHf_MbzKzFib-
BK9I3CxEvR00TnQnoDE6N5gLtiChMO2xYxOSH0QKJbRvDKLN5jW4QBUZHsVNIPZZIcydZD4xfTqv3UjxAjCKF6R1leowdKKgU
_Y__KFYSK3DZX&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-
fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTV-ZFxLkpnXYw==],
20 Apr 2018.)

Earlier this week, the United States Department of Commerce announced that the Bureau of Industry and Security (BIS) had i

[http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalvQtrRrtxUKLumplzJIH58zRppAiPn2WXq6TgE2Dq0iPO-Y65m-
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othZIDrYRkiVfiRGnGczdPeSequ0DL-U0Bj11Ofkvhy7X-WHi2aOzw38=&c=jHYp9gAECfzhRI-
LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTV-
ZFxLkpnXYw==]ssued

a Suspended [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalvQtrRrtxUKLumplzJIH58zRppAiPn2WXq6TgE2Dq0iPO-Y65m-
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othZIDrYRkiVfiRGnGczdPeSequ0DL-U0Bj11Ofkvhy7X-WHi2aOzw38=&c=jHYp9gAECfzhRI-
LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTV-
ZFxLkpnXYw==]Denial

Order against ZTE [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-
WhTzazzX9a0xJalvQtrRrtxUKLumplzJIH58zRppAiPn2WXq6TgE2Dq0iPO-Y65m-

HKY10I9IfVeCuyJaGZx8l0VPiBVfF_co8l8bFkzkYQJCS2qOfCoQSY8CzgsJ9qwJijS469J177BFSnP-odOAOYFodBNHkJi7-othZlDrYRkiVfiRGnGnCdPeSequ0DL-U0Bj11Ofkvhy7X-WHi2aOzw38=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==]

-- effectively banning the company from using any exported hardware or software from the U.S. in its products for the next seven years.

The move came as a result of ZTE not staying true to promises it made to the Department following a violation of export control in 2016, but according to ZTE, this simply isn't true.

ZTE has been working diligently on Export Control Compliance program and has invested tremendous resources in export compliance and has made significant progress since 2016. It is unacceptable that BIS insists on unfairly imposing the most severe penalty on ZTE even before the completion of investigation of facts, ignoring the continuous diligent work of ZTE and the progress we have made on export compliance...

ZTE highlights four moves it's made to work with the Department since 2016, including:

- (1) ZTE self-identified the issues in the correspondence and self-reported by ZTE immediately
 - (2) The Company has taken measures against the employees who might have been responsible for this incident
 - (3) Corrective measures have been taken immediately
 - (4) A prestigious U.S. law firm has been engaged to conduct independent investigation
- ZTE goes on to say that the Denial Order will not only hurt it, but "also cause damages to all partners of ZTE including a large number of U.S. companies." Even so -

ZTE will not give up its efforts to resolve the issue through communication, and we are also determined, if necessary, to take judicial measures to protect the legal rights and interests of our Company, our employees and our shareholders, and to fulfill obligations and take responsibilities to our global customers, end-users, partners and suppliers.

Shortly after the BIS announced the Denial Order, it was later revealed that Alphabet was considering revoking ZTE's Android license. Should that happen, ZTE would no longer be able to use Android on its smartphones, tablets, smartwatches, etc.

I'm not sure how this will all turn out, but I can't imagine ZTE will take this lying down. We're likely going to be looking at a few months of legal back-and-forth, so be sure to grab your popcorn and get comfy.

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11. Defense News: "Do New Trump Arms Export Rules Live up to the Hype?"

(Source: Defense News [http://r20.rs6.net/tn.jsp?f=001JzaT0J_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalixDhmQdxUqERyRnrlgzEkl-vUr4rZHUXMq9IPf2ZglGgtq2KQ7kXUJmv_P80Xor6vmf9cRwcaa1GhPjCGfVTIJ52iSu550pqev-ukizyUIPrjTO5uFIHngjkgyph76e2BB0C5z-nw3EWHrOUxoqTYHvxvqTq5otnwKSrUt5jmbH6JPFj565rQKOb_eKFnoCM9_dLgXYkyL4ukbYzt1O3Fmn8D7i3cbvq&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTv-ZFxLkpnXYw==], 23 Apr 2018.)

For the greater part of a year, the defense industry has been eagerly awaiting a wave of new rules for defense exports that would ease regulations and open up potential sales for U.S. weaponry, particularly for drones.

While the new policy, released April 19, does indeed ease the way for drone manufacturers

to sell more of their wares abroad, it falls short of what had been anticipated by industry.

And when it comes to the conventional arms transfer policy, analysts are struggling to find major differences between the Trump policy and that of his predecessors. Peter Navarro, White House National Trade Council head, said the new language will allow allies and partners "to more easily obtain" American security goods, which in turn improves the security of the United States while "reducing" the need for them to buy Chinese and Russian systems.

"For too long we have hamstrung ourselves and limited our ability to provide our allies and partners with the defensive capabilities they require, even when in the U.S.," Navarro said.

Rhetorically, the conventional arms policy does indeed emphasize the industrial base more than previous documents -- a welcome change for industry, which is looking toward using a 60-day feedback period to push for their top priorities.

"This is a really big deal. These are issues that had typically been relegated to the second tier," said Remy Nathan, vice president of the Aerospace Industries Association, which is planning to push for, among other things, an all-of-government National Security Cooperation strategy.

But where major growth for the defense industry could come from is unclear to analysts. According to numbers from the Stockholm International Peace Research Institute, America accounted for 34 percent of total arms exports from 2013-17, with 98 countries buying American goods. The second-largest exporter in the world, Russia, accounted for 22 percent of weapon exports during that same period, with 47 countries as clients; China, the fifth-ranked exporter, represented only 5.7 percent of global exports, with 48 countries.

Joel Johnson, an industry analyst with the Teal Group, said the conventional arms policy looks less like a game-changer and more "simply an extension of U.S. policy since [President] Jimmy Carter."

"I don't see anything dramatic here, nor do I see any great untapped demand out there for additional sales -- the current U.S. backlog is huge," Johnson added. Said Rachel Stohl of the Stimson Center: "What does it actually do that will change anything? I'm unclear because we were already selling more weapons than ever before, the Trump administration has already put human rights on the back burner. So, in practical terms, I don't know what the impact will be or what will actually change." And Byron Callan of Capital Alpha Partners said he suspects any impact from the new policy will be "below the radar screen," with small goods like communications gear or munitions. "It's a sentiment positive, but does it entail a surge in U.S. defense exports? I doubt it."

Drone Changes

But where the U.S. is indeed seeing a steep rise in competition is in the unmanned vehicle sector, particular from China, which has made inroads into the traditionally U.S.-dominated Middle East with its cheaper UAVs.

According to analytics firm Avascent, between 2013 and 2018 there were 56 countries that invested in a non-U.S.-made unmanned system, with the majority of the systems coming from Israel, China, the United Kingdom or indigenous suppliers. Investment in non-American military UAS amounted to \$1.9 billion in 2013 and grew to \$3.5 billion in 2018 -- an estimate that may be low due to a lack of transparency from Israeli and Chinese firms.

Overall demand for non-Russian, Chinese or U.S. unmanned systems is expected to reach \$4.1 billion in 2025, \$1.6 billion of which is not yet under contract, said Avascent's Doug Berenson, who added "the majority of the value in the opportunity space lies in MALE/HALE systems, Combat UAS, and Tactical UAS. The new regulations

should let U.S. firms access [the] first two markets more easily."

Tina Kaidanow, principal deputy assistant secretary for political-military affairs at the U.S. State Department, said the drone rule change represents "efforts to do things a little bit more strategically. We need to do, the U.S. government, a better job of strategic advocacy for some of our companies. We need to think about those areas where we can really enable sales overseas."

The drone policy change included two important changes. The first is opening up the opportunity for companies to sell systems via the Direct Commercial Sales process, under which a company and another nation can directly negotiate, rather than requiring a more formal Foreign Military Sales process, where the U.S. government acts as a go-between. DCS sales are seen as faster than FMS sales.

Secondly, the government is eliminating rules that marked unarmed systems with laser-designator technology as "strike enabling," which put them in the same category as armed drones, and hence received higher scrutiny.

Kaidanow said the goal was to make sure "U.S. industry faces fewer barriers and less confusion when they are attempting to compete against other countries and marketing and selling those similar systems to our partners. "

While those changes will be welcomed by the UAV industry, they fall short of what was expected and hoped for by major producers of military drones. Industry was looking for the administration to reinterpret the "strong presumption of denial" clause in the Missile Technology Control Regime, an international arms control agreement among 35 nations that governs the export of missiles and drones.

The current clause makes it difficult to approve the sale of category-1 drones capable of carrying 500-kilogram payloads for more than 300 kilometers. The Obama administration had set a standard of how it interprets the MTCR language that some in industry have complained is too strict, and had expected to see changed with this policy a "presumption of approval" for a specific set of allies and partners in Europe, the Middle East and the Asia-Pacific region.

"U.S. drone export policy had gotten out of sync with both the technology and the realities of Chinese and Israeli exports," said Michael Horowitz, a former Pentagon official now with the University of Pennsylvania who has studied drone issues. He added that the new drone policy seeks to balance the realities of ongoing drone proliferation and the growing international market with U.S. responsibilities under the MTCR," but warned that future opening up of drone sales will likely require dealing with the MTCR directly."

Kaidanow acknowledged an intent to try and reform MTCR, without details. But American officials in October floated a whitepaper to allies proposing that any air vehicle that flies under 650 kilometers per hour would drop to "category-2" and thus be subject to approval on a case-by-case basis, as opposed to having to follow the more strict "category-1" policies.

Human rights groups had also been bracing for a major shift in how drone sales were handled, with an expected de-emphasis on monitoring how systems were used by foreign customers. Instead, the language largely remains, although Stohl notes it has been deemphasized in favor of economic priorities.

"Human rights are clearly not at the forefront of this policy. This is a policy about the economy. It is a policy about America first," Stohl said.

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12. Expeditors News: "CBP Publishes GSP Refund Procedures"

(Source: Expeditors News [http://r20.rs6.net/tn.jsp?f=001JzaTOJ\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJaltgc14kJPX\_SXQ2Qx\_OEHtVCDqFtrfazQo0BK5fVBPGB1Y33KOhHwl0xy2wNzM-7IOeNTPdTLmpt3-u0Kgy-Y1Ss9bx3ou9jmnCVafh8ir4XzHyJsm2qWfFDq5rvAFzyqlwOCHNd311FQpFw2ECBBNj5v0P1m-YU0b-8f3mgd\_ZqyZs4Hlp-oA==&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKTv-ZFxLkpnXYw==],  
20 Apr 2018.)

On April 20, 2018, U.S. Customs and Border Protection (CBP) published in a Federal Register notice (FRN), refund procedures for entries subject to the renewed Generalized System of Preferences (GSP) program.

The refund process applies to GSP-eligible merchandise that was entered on or after January 1, 2018, through April 21, 2018. The FRN summarized the process as, "Formal and informal entries that were filed electronically via the Automated Broker Interface (ABI) using Special Program Indicator (SPI) Code "A" as a prefix to the tariff number will be automatically processed by CBP and no further action by the filer is required to initiate the refund process. Non-ABI filers, and ABI filers that did not include SPI Code "A" on the entry, must timely submit a duty refund request to CBP. CBP will continue conducting verifications to ensure that GSP benefits are available to eligible entries only."

GSP will resume on April 22, 2018 and has been renewed through December 31, 2020.

The FRN may be found here [http://r20.rs6.net/tn.jsp?f=001JzaTOJ\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalkibvwn9RXloZjcxHgnly5\_dltFqkXUXI4A7fJA4548SVheL\_Q50WkWeA6zOLGW8jiiQ3m2UINa5h\_CJOBtid6j2II9Hc\_VCD9XEqs6uj7yKrp-LuYSHyhHgbtYKTLcYsli\_q\_jjscHN6pETRh56gT-DuViuReyxb\_vhfitVEzuPOEQh3wBN210YDJsKhWLTNZzncAQOR7ChHeqDSKpHHengfMgAfM6yls90kyY-RP3ZzP-EwdEd-oTY4yy4lplI0IJ622PMjqt3D0JzaICfUXyx6aZ87yxGqGHYO1sq-jM=&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKTv-ZFxLkpnXYw==].

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### 13. Quartz: "Behind the Scenes, China's Actually Kind of Mad at Telecoms Giant ZTE"

(Source: Quartz [http://r20.rs6.net/tn.jsp?f=001JzaTOJ\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJal3M6GpvJLHRRX4qwBLGo-0P47IB4Hxv179C2c-tiQmiNaX1\_A4VkRrbwIBF4X9ZcBI4TpvwXVS0GcYT0-2NSPqtKfsv7ZyNY2ft8TP3e9xSkqc\_WyWE8ojqX7Xkt7ioHcoMJ3CgHVIqVa9xtNIFTP6mt2U2zfaOhQbp5J0IrtZ5I-oS2mehaKR3u5j6ltzfBfTn-YNz72MR2qZxeVZUNUoLtljWoWYYh&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKTv-ZFxLkpnXYw==],  
23 Apr 2018.) [Excerpts.]

As Donald Trump's trade war with China spread into the tech sector last week, China's government and state-run media have come out strongly in support

[http://r20.rs6.net/tn.jsp?f=001JzaTOJ\_ulcRgTAM6\_sv\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJalFemB1-Pc4Zfue83w0dkT89kXIXbxxdVgKH3iK\_K44GuUDx-kACLhg5SJlqWrdD4jY-9wKafhEyZ5kF40Bw9enaBZC2-dyblVhwViZxC4uc4XtQzWDz\_Ot\_4Pybxuu1gtYIVjxJykgHKA6ug79ntrcvSDnmqrvOrS-Y8Ib16rBtee8L0iqEZd0tyLPOVPMoz-EJ\_s8Hu6ijHslqPZevOHcYnl-2PewUnJat2oVrbm\_ONy-nLebZalxyu5xOx6gY77&c=jHYp9gAECfzhRI-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\_4rayKTv-ZFxLkpnXYw==]

of the Chinese tech giants who've faced the first volley. An internal government report, however, suggests it's not entirely sympathetic to the new woes of its telecom giant ZTE. ...

The report from the State-owned Assets Supervision and Administration Commission (SASAC), the top regulator of Chinese state-owned enterprises under China's cabinet, criticized ZTE's dealings with the US regulators as "stupid and passive," and embarrassing

to China's global image. "Many domestic enterprises are paying a terrible price for ZTE's short-sightedness and dishonesty. Our country's diplomatic layout and image will inevitably be affected," said the report, dated April 20. ...

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#### 14. Reuters: "U.S. Regulator Permits China's ZTE to Submit More Evidence"

(Source: Reuters [[http://r20.rs6.net/tn.jsp?f=001JzaTOJ\\_ulcRgTAM6\\_sv\\_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJaINkMg1MGnWfQ3UORq7ZXvbrvd0NjgS0aRi3JURxA6PxRrOGNi9nP\\_crOwYeUWvgE1cdxaGEX4pvXpj4zgVemLv73ACBsba3CCnxUNTfRUoapRsYOMwJ\\_Vb8jCZwxaO5sa99vGT5xhyEm-NxS-fuGCfmXaMDftqAS5gP-wqNwYQgnnCWwuHKavGIRwyPSPjdjDMPYAZ0Va5k65SbJXa1Vd7G5b1KoZMh7YwuTGWHDl418=&c=jHYp9gAECfzhRL-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV\\_4rayKTV-ZFxLkpnXYw==](http://r20.rs6.net/tn.jsp?f=001JzaTOJ_ulcRgTAM6_sv_yJRIsvzCgtgGy834L55Fy5SKY6uD-WhTzazzX9a0xJaINkMg1MGnWfQ3UORq7ZXvbrvd0NjgS0aRi3JURxA6PxRrOGNi9nP_crOwYeUWvgE1cdxaGEX4pvXpj4zgVemLv73ACBsba3CCnxUNTfRUoapRsYOMwJ_Vb8jCZwxaO5sa99vGT5xhyEm-NxS-fuGCfmXaMDftqAS5gP-wqNwYQgnnCWwuHKavGIRwyPSPjdjDMPYAZ0Va5k65SbJXa1Vd7G5b1KoZMh7YwuTGWHDl418=&c=jHYp9gAECfzhRL-LURUo3ibmjNGcVy2Y10VIM2WtcoSgP4MqKTTzoA==&ch=yj-fXlcsB6GHUOEyizU28JJza98ZbCNitjV_4rayKTV-ZFxLkpnXYw==)],

21 Apr 2018.)

The U.S. Commerce Department has granted ZTE Corp's request to submit more evidence after the agency banned American companies from selling to the Chinese technology firm, a senior Commerce official said on Saturday.

The U.S. Commerce Department's Bureau of Industry and Security, or BIS, this week banned American companies from selling to ZTE for seven years, saying the Chinese company had broken a settlement agreement with repeated false statements. The action was sparked by ZTE's violation of an agreement that was reached after it was caught illegally shipping U.S. goods to Iran.

According to Commerce regulations, there is no appeals process, but the agency has "exercised discretion" to let ZTE present additional evidence through an "informal procedure," the senior official said.

The Wall Street Journal first reported the decision by Commerce to allow more evidence.

ZTE, in a statement on Friday, called the decision "unacceptable" and said it could cause damage to both the company and its partners.

It is unclear whether the decision to accept more evidence would provide a chance for resolution between U.S. regulators and the company.

This week's U.S. action, first reported by Reuters, could be devastating to ZTE since American companies are estimated to provide 25 to 30 percent of the components used in ZTE's equipment, which includes networking gear and smartphones.

The ban is the result of ZTE's failure to comply with an agreement with the U.S. government after it pleaded guilty last year in federal court in Texas to conspiring to violate U.S. sanctions by illegally shipping U.S. goods and technology to Iran.

The company paid \$890 million in fines and penalties, with an additional penalty of \$300 million that could be imposed.

As part of the agreement, Shenzhen-based ZTE promised to dismiss four senior employees and discipline 35 others by either reducing their bonuses or reprimanding them, senior Commerce Department officials told Reuters. But the Chinese company admitted in March that while it had fired the four senior employees, it had not disciplined or reduced bonuses to the 35 others.

Under terms of the ban, U.S. companies cannot export prohibited goods, such as chip sets, directly to ZTE or via another country, beginning immediately.

The U.S. action against ZTE is likely to further exacerbate current tensions between Washington and Beijing over trade. After the United States placed export restrictions on ZTE in 2016 for Iran sanctions violations, China's Ministry of Commerce and Foreign Ministry criticized the decision.

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